Daily Report

Latin America

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Correction to American Summit Declaration

PA1812181290

The following correction pertains to the item headlined "'Puntarenas' Declaration Issued," published in the 18 December Latin America DAILY REPORT, pages 1-7:

Page three, column one, third full paragraph, first sentence, make read: ...a stategy based on a debt-for-ecology swap in order to finance... (deleting editorial notation and rephrasing)

Comparison of 'Puntarenas' Declaration

PA1812180690

Panama City ACAN in Spanish at 2356 GMT on 17 December carries the full text of the "Puntarenas" Summit Declaration. The ACAN text of the declaration has been compared with the San Jose Radio Reloj Spanish version published in the 18 December Latin America DAILY REPORT, pages 1-7, allowing for the following fills and clarifications:

Page two, column one, fourth full paragraph, first sentence reads: The presidents of Costa Rica, El Salvador, Honduras, and Nicaragua recognize the work done by the Guatemalan National Reconciliation Commission to hold a major national dialogue that is entended to make the aspirations of all sectors of society become viable through proposals and agreements reached by consensus. (providing indistinct words, rephrasing sentence)

Page four, column one, third and fourth full paragraphs read: a) To harmonize regional immigration laws and systems, [new graf]

b) To eliminate visas from diplomatic and official passports, and to issue multiple visas for businessmen, professionals, and other categories of travelers, [new graf]

c) To establish a common format for passports and other immigration control documents, [new graf]

d) To design a computarized Central American mechanism for immigration control purposes. [new graf]

12. The presidents state their support for the Central American Parliament, acknowledging that it would be a political body that would promote a steady dialogue and the search for regional cooperation. [new graf] (providing dropped lettering and numbering)

Same page, same column, sixth full paragraph, first sentence reads: 13. The presidents acknowledge and point out the fact that the meetings of first ladies of Central America, which began in 1987, significantly contribute to the peace process, to social and cultural activities in the area, and to causes as important as the situation of children negatively affected by armed violence in Central America and the status of women in the family. (deleting editorial notation)

Page seven, column one, third full paragraph, first sentence reads: a) The presidential meetings will be held every six months, during the months of June and December. (providing dropped paragraph lettering)

Same page, same column, fourth full paragraph, first sentence reads: b) The country hosting the summit will become the secretary of the summit through its foreign ministry in the six months following the summit in order to facilitate the analysis and dissemination of the documents and relations with third countries and international organizations. (providing dropped paragraph lettering)

Same page, same column, sixth full paragraph, only sentence reads: c) The secretariat of the summit will disseminate the reports, conclusions, and recommendations of said meetings as required and they will also be given to the executive commission in order to achieve an effective follow-up. (providing dropped paragraph lettering)

Same page, same column, seventh full paragraph, first sentence reads: 36. The presidents regard regard with satisfaction the proposal presented by the Group of Rio during its most recent meeting held in Caracas allowing Central America to participate in the permanent mechanism for dialogue and political consensus. (providing dropped paragraph numbering)

Same page, same column, eighth full paragraph, first sentence reads: 37. The presidents reaffirm their recognition of the efforts of and the progress that the Panamanian Government has attained regarding the internal consultation process conducted in the country to determine the possibility for an increasing economic relationship with Central American countries. (deleting editorial notation)

Cuba

Risquet Terms Economic Situation 'Very Serious'

PA1812221090 Paris AFP in Spanish 1402 GMT 16 Dec 90

[Text] Madrid, 16 Dec (AFP)—Jorge Risquet, member of the Politburo of the Communist Party of Cuba, made a stopover at the Barajas Airport in Madrid on 16 December. Speaking briefly with reporters, he said that "Cuba's current economic and financial situation is very serious."

Jorge Risquet announced that the government has started "an emergency plan particularly for the energy sector, which is normally intended for use only during a war." He added that "hundreds of thousands of ox yokes are being prepared to plow the land and ensure food production."

This situation, which in Risquet's opinion "could last years, will be faced by the Cubans with self-sacrifice, courage, and understanding."

The Cuban Communist Party leader admitted that the "five-year plan, traditionally signed between Havana and the Soviet Union, has not even been assessed up until now. This situation increases the island's serious crisis."

Risquet stated: "We will continue to strive for Cuba's development and will boost certain sectors, such as tourism and the sugar and pharmaceutical industries, to be able to obtain foreign exchange."

Escalona Comments on Upcoming ANPP Session

FL1912020090 Havana Television Service in Spanish 0100 GMT 19 Dec 90

[Interview with Juan Escalona, president of the National Assembly of the People's Government (ANPP) by unidentified reporter during a tour of economic centers in Guantanamo Province, date not given—recorded]

[Text] [Reporter] All the people are waiting with great expectation for the next ANPP session. How do you think it will develop?

[Escalona] A report has been prepared and it is already being distributed. It is divided according to the various agriculture and food programs. This has been the result of the work of many ministries and organizations in general, including the scientific and research sector. As you know, the deputies have been visiting the food programs in the provinces, not only the places of direct production but also the ministries' centers that guarantee with production the possibility of carrying out these programs. Two days will be devoted to the food program. The deputies know exactly what is happening in their territory and are aware of the good and not-so-good things and their outlook.

I believe that the report should be initiated by Comrade Adolfo Diaz, who is the vice president in charge of agricultural matters. We are going to have many things that will be different from other sessions. I believe it is going to be a very interesting and active session because a lot of preparation has been made for it.

[Reporter] I agree. What about what you have seen in Guantanamo?

[Escalona] Well, in Guantanamo I have seen very briefly some things related to the food program. For example, this derivation center [derivadora] we are at now. I have learned about the possible solution of the great saline soil problem in Guantanamo where a lot of work is being done. I hope that this effort and determination will lead to the success Guantanamo deserves because of the work it is doing.

Lebanese, Palestinian Leaders Praise Castro

FL1812144190 Havana Tele Rebelde Network in Spanish 1200 GMT 18 Dec 90

[Text] Cuba and its Communist Party are the only ones who remain firm in their positions of principle, Lebanese and Palestinian political leaders all said on marking the anniversary of the intifadah in the Transjordan and Gaza.

At the ceremony held in Beirut, Melchor Bonet, Cuban charge d'affairs, and representatives of the PLO, the Lebanese Communist Party, and other political organizations were all speakers.

The Cuban diplomat said that the Palestinians are teaching an exemplary lesson with the intifadah. For his part, parliamentarian (Naja Huaking) said that Fidel Castro is a pillar of the revolution, and Cuba does not surrender, beg, or receive donations.

Medical Assistance to Arab Countries Cited

FL1712230590 Havana Radio Reloj Network in Spanish 2105 GMT 17 Dec 90

[Text] A 500-bed orthopedic hospital will begin operating in Libya with the direct advice of specialists from Havana's Frank Pais Hospital. Dr. Rodrigo Alvarez Cambras, director of Frank Pais Hospital, explained during a news conference held in Havana that the Arab country's hospital is part of a health agreement between Cuba and Libya after a period in which there had been no relations of this type.

He noted that during his stay in Libya, he met with the health minister and the health national director, who requested that Cuba send high-level professionals—medical and technical staff and advisors—and the purchase of (Ralca) external prosthesis was finalized. Alvarez Cambras explained that a delegation composed of leaders of the Public Health Ministry, Medicuba, and

other organizations are in the Arab nation at this time in order to get the agreements ready. These agreements are better than previous ones.

Dr. Alvarez Cambras announced that a 1,500-bed general hospital is being built in Libya with Cuban assistance. Alvarez Cambras, who is also president of the Cuban-Arab Friendship Association, noted that the presence of Cuban medical personnel is appreciated greatly in Algeria, where Cuba has offered medical cooperation for over 20 years. He added that this cooperation will be increased in terms of the number of doctors and in other areas of health.

Responding to a question, the outstanding surgeon said that cooperation with Iraq began three years ago and that, despite the war situation, the some 250 doctors and nurses from our country will remain there to offer their services. Alvarez Cambras noted that those professionals work in 18 cities. A 120-bed orthopedic hospital is located in one of those cities, where its specialists are advised by Frank Pais hospital specialists.

Inter-Caribbean

Antiguan Politicians Outline Unification Needs

FL1812235090 Bridgetown CANA in English 2154 GMT 18 Dec 90

[Text] St. John's, Antigua, Dec. 18, CANA—Antigua and Barbuda opposition politician Tim Hector doesn't hold out hope for the present government being involved in any political union with Caribbean countries. "It is inconceivable that the (Vere) Bird government will ever participate in any Caribbean union," he said.

Hector and other opposition party leaders have been talking to the West Indian Commission, which has been reviewing the performance of the Caribbean Community [Caricom]. The commission, headed by former Commonwealth secretary general, Sir Shridath Ramphal, has been visiting Caricom countries, talking with government, opposition, and business leaders, and a range of other persons about their problems.

Hector, leader of the small Antigua-Caribbean Liberation Movement, said "for a Caribbean nation to come about, it cannot follow the classic definition of a federation, confederation, or unitary state. We have to devise a form of government which leaves the people in all the islands with...power at the community level, relating to a local government, and a strong central government," Hector asserted.

"Development will have to be planned and equitable," he stressed. Hector said that with the coming together of Europe in 1992 as a single market, it would be disastrous for the region if the Caribbean fails to unite.

"The Caribbean would be inviting disaster if they remain island-states, and particularly the mini-minor states" of the Caribbean would have no place in the modern world, becoming anomalies, Hector said. "We can only industrialize and modernize agriculture if we have a domestic market of about 40 million and with that size of market a United Europe and a United North America could not ignore the Caribbean," Hector reasoned.

Hector took a crack at the Bird government, saying "it would agree in principle (to the unity idea), and sabotage in fact, as it did with the "little" federation in 1963."

Dr. Ivor Heath, leader of the official opposition United National Democratic Party, said his party supports the idea of a closer union for the Caribbean. Heath addressed the commission on the government's control of the electronic media which he said creates an undemocratic society. He was also critical of the government's economic programme which he said is "too dependent on imported goods." He complained about foreign cultural penetration, inflated high prices, and the lack of industralized programmes. Heath also commented on the country's electoral process which he said heavily favours the ruling party. "Unless we have truly secret democratic elections, people are not going to vote," Heath asserted.

Former Deputy Premier Robert Hall of the Progressive Labour Movement (PLM), which held power here between 1971 and 1976, said: "Freedom of movement of its people must be of prime importance: It is more important than freedom of trade. In our view a people will never feel equal unless they are free to travel and settle in various parts of the region without restrictions...This we feel is the most important contribution that we can make in order to unite the people of the region.

"We feel that it is most desirable to institute some method of education to the West Indian public about our quality of life which we take for granted. Our people are being bombarded by the international communication networks to the extent that they now know more about other countries outside the region than they do about their countries," Hall complained.

He wants to see the creation of an information system that will be accessible to the peoples of the region. "We know that the commission might find this difficult to understand, but the average West Indian is totally ignorant of the economic and political changes which confronts the region as a whole," he said. "We feel that the main reason for this is that governments of the region do not place enough importance on making information available to the public."

Hall said the PLM feels "whatever type of union is envisaged, there must be built-in safeguards to protect the population from the excesses of politicians. It is in this area that we feel greater emphasis should be placed for we will never be able to compete on an international scale unless we have the most competent of our people negotiating from our side of the fence," he explained.

"We are opposed to accepting the principle of building a new nation on the hand-outs from other nations. Consequently we are unable to see how a single West Indian nation could be achieved in the immediate future," he added. "We suggest that the integration movement should continue by way of treaties...until such time as the lives of West Indians become so entwined that a West Indian nation will be accepted by all nations without question," Hall told the commissioners.

He also called for the creation "of a commission of national ombudsmen under the chairmanship of the chancellor of the University of the West Indies whose function would be to record all changes made by territories towards closer working of all countries and to make this information available to the public on a biannual basis."

Bahamas

Maynard Commends Volunteers in Haitian Election

FL1912020190 Nassau Domestic Service in English 1800 GMT 18 Dec 90

[Excerpt] Jean-Bertrand Aristide is the new president of Haiti after a landslide victory in Sunday's presidential elections. Father Aristide will take over from the caretaker government in February next year. The Bahamas Government has not issued any official statement on Sunday's poll as yet, but yesterday the Minister of Foreign Affairs, Deputy Prime Minister the Honorable Sir Clement Maynard congratulated those Bahamians who played a role in the elections in Haiti. [passage omitted]

Grenada

Brathwaite Congratulates Aristide, Haitians

FL1812134590 Bridgetown CANA in English 1148 GMT 18 Dec 90

[Text] St. George's, Grenada, Dec 18, CANA—Prime Minister Nicholas Brathwaite, welcoming Haiti to "the fold of democratic nations in the Caribbean," said Grenada was happy with the outcome of Sunday's elections and was ready to cooperate with the incoming administration, expected to be headed by Catholic priest Jean-Bertrand Aristide.

"Such news coming at this time is extremely good news. The fact that successful elections have been held in Haiti is rather heartening," Brathwaite told CANA [CARIBBEAN NEWS AGENCY], as he extended congratulations to Aristide who unofficial results showed had a comfortable lead in the presidential ballot.

Brathwaite said he was very pleased that international organisations such the Organisation of American States (OAS) and the United Nations, had concluded the elections were free and fair.

"On behalf of the government and people of Grenada, Carriacou, and Petit Martinique, I would wish to congratulate Father Aristide and the people of Haiti in particular for the way in which they have demonstrated their faith in the democratic process," Brathwaite said.

Brathwaite said while Grenada was unable to extend economic assistance to Haiti because of its own problems, "we would be prepared to share our experiences of democracy with the Haitian Government and people and we will do everything possible to ensure that Haiti goes beyond observer status and becomes a full-fledged member of Caricom [Caribbean Community]."

Haiti

CEP Announces 'Partial' Election Results

FL1912011390 Port-au-Prince Radio Metropole in French 1700 GMT 18 Dec 90

[Excerpts] We received the second part of the results of the 1990 elections, issued by the Provisional Electoral Council [CEP]. These partial results reflect a landslide victory by National Front for Change and Democracy [FNCD] presidential candidate, Jean-Bertrand Aristide, who has won 68.2 percent of the votes. His closest competitor, Marc Bazin of the National Alliance for Democracy and Progress [ANDP], has received 12.2 percent, after the counting of 96,540 votes. [passage omitted].

The following counts are for all departments of the country, except the Artibonite Department, based on a total of 96,540 ballots.

Father Jean-Bertrand Aristide: 65,864
Marc Bazin: 11,820
Louis Dejoie: 7,604
Sylvio Claude: 2,593

Percentages are as follows:

Jean-Bertrand Aristide: 68.0
Marc Bazin: 12.2
Louis Dejoie: 7.9
Sylvio Claude: 2.7
Thomas Desulme: 2.2
Rene Theodore: 2.2
Hubert de Ronceray: 1.5
Volvick Remy Joseph: 1.3
Fritz Simon: 0.6
Vladimir Jeanty: 0.6
Francois Latortue: 0.8

This latest count covers eight departments.

Partial Results Updated

FL1912013090 Port-au-Prince Radio Metropole in French 2300 GMT 18 Dec 90

[Text] Aristide is still leading in the counting of the votes. Based on a total of 132,182 ballots counted,

Jean-Bertrand Aristide received 89,080, a little more than 67 percent; Bazin, 17,000, slightly over 13 percent; and Dejoie, 8,000, 7.3 percent. The other candidates, at the bottom of the scale, received the following percentages of the vote so far:

Sylvio Claude: 3.36
Rene Theodore: 2.32
Thomas Desulme: 2.03
Hubert de Ronceray: 1.75
Volvick Remy Joseph: 1.33

No other candidate obtained more than 0.5 percent.

Meanwhile, the Haitian Association for Free Elections [AHPEL] issued its partial count for the Western Department. Based on a total of 16,504 voters, compared to 20,647 registered, the candidate Aristide has a wide lead with 89.4 percent of the vote, accounting for 14,754 voters. Marc Bazin comes in second, with 4.4 percent, or 733 votes. Louis Dejoie received 2.4 percent, accounting for 39[illegible] votes.

AHPEL counted 429 null votes, 2.6 percent of the partial election results for the Western Department.

Foreign Observers Comment on Aristide Victory

FL1812193590 Port-au-Prince Radio Nationale in French 1130 GMT 18 Dec 90

[Excerpt] Father Jean-Bertrand Aristide, only 37 years old, the liberation apostle, increasingly appears the winner of the first ballot in the presidential elections in Haiti, thanks to the overwhelming majority vote he reportedly received in the poor quarters of the big cities, according to AGENCE FRANCE-PRESSE.

The streets of Port-au-Prince swarmed yesterday with tens of thousands of young supporters of Titide [the affectionate nickname given to Father Aristide.] In the absence of results from the countryside, however, where more than half the country's voters live, it is still too soon to announce the victory of the candidate priest who turned the Haitian political order upside down when he announced his candidacy only two months before the elections.

The calm in which these first post-Duvalierist general elections unfolded amazed even the foreign observers. They have commented that these elections were exemplary, and have noted the democratic fervor that roused the voters of all sectors, without distinction, despite some organizational imperfections mostly due to lack of means.

Mr. Bernard Aronson [name as heard], assistant secretary of state for Inter-American affairs, and Jimmy Carter, former American president, each met with the press yesterday to share their first impressions of the Sunday elections. According to Mr. Aronson, there is no doubt that Jean-Bertrand Aristide is the future president of Haiti. The American Government has already offered him its support.

Jimmy Carter was more cautious in his affirmation. His statements, however, alluded to Father Jean-Bertrand Aristide as the winner of the elections. [passage omitted]

PAIN Leader Dejoie Congratulates Aristide

FL1812203090 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Dec 90

[Excerpts] The first reaction from the political sector to the partial election results published yesterday by the Provisional Electoral Council [CEP] comes from Louis Dejoie, leader of the National Agricultural and Industrial Party [PAIN]. Dejoie stated that the people's 16 December victory is his own victory as well, despite some problems he has had to face. He urged political parties to stop their alleged efforts to discredit the elections.

Dejoie congratulated Father Jean-Bertrand Aristide and offered his thanks to the CEP and the Haitian Armed Forces. He added that the people's victory in these elections is victory against Macoutism in and out of the country.

[Passage omitted] Dejoie maintained that PAIN steadfastly remains on the side of the people. It tips its hat to their companion-in-struggle, Father Jean-Bertrand Aristide. [passage omitted]

Sylvio C. Claude Challenges Election Results

FL1812222090 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Dec 90

[Excerpts] Whereas Louis Dejoie, leader of the National Agricultural and Industrial Party [PAIN] declared that he agrees with the election results and is already tipping his hat to Father Jean-Bertrand Aristide of the National Front for Change and Democracy [FNCD], Reverend Sylvio C. Claude, on the other hand, is challenging the election results and considers that he may still have a chance to be elected president.

This is the second reaction from presidential candidates since the partial results from four [out of the nine Haitian geographic] departments was published by the Provisional Electoral Council [CEP] yesterday afternoon. It is the reaction of Haitian Christian Democratic Party [PDCH] leader Reverend Sylvio C. Claude, who says he contests the CEP's partial results because it is not possible that he received as few votes as the CEP reports. His representatives in Bureaus for Registration and Vote [BIV's] advise that he received more votes than reported. Claude maintains that he can win the elections and that he plans to lodge a formal complaint with the CEP. Let us listen to him. [passage omitted]

[Begin Claude recording] I cannot be satisfied with these partial results. This is a bludgeoning, when you consider that they give a candidate like me 19 votes—even if it is

just partial results—19 votes in the Western Department, [repeating with emphasis] in the Western Department. Let us take the Mobilization for National Development [MDN]. They give it eight votes. Take PAIN. They give it 18.

Meanwhile, the FNCD has 2,512. What does 2,512 represent? It represents ten BIV's. That means if you have ten BIV's, FNCD received 2,512 votes, but I received only 19 votes from ten BIV's? Ten BIV's? Each one of the representatives I sent voted. They voted in ten BIV's, and I have a record of 29 votes for a single BIV—for one single BIV. Look closely, Mr. journalist, it is BIV No. 1120223, Delmas, Western Department. Look! Here is where the CEP signed—the secretary to the president and the report secretary. This shows I have 29 votes for a single BIV in Delmas. My deputies, here they are, some of them have 52, others have [number indistinct], and others have 50. How can you tell me I received only 19 votes in the entire Western Department?

You tell me about partial results. They do not even represent one BIV in Port-au-Prince. In Lycee des Jeunes Filles [public secondary school where a BIV was located], I had 19 votes. I have all the reports here. I had four votes in BIV No. 1120210, Delmas. Here is it: Sylvio Claude, four votes. Twenty-nine plus four, that is already 33. There is Seventh Morne-l'Hopital, BIV No. 1118092, where I got one vote. That makes 34.

I am going to tell you something even more awful. It is about two BIV's in Delmas 32 where it was reported that I got 12 votes. Aristide got 301 votes there; Marc Bazin, four; Sylvio Claude, 12; and Louis Dejoie, five. This report was presented by the FNCD and entrusted to one of my representatives on my behalf. I do not know if he is an FNCD member who is also a friend of mine. This is what was reported. As you can see, this is something authentic. [passage omitted] Twelve plus 35, this is only for four BIV's.

I have the list of my representatives in Port-au-Prince—not all of them—but 60 representatives have already given their reports to me. Each one of them voted. That makes 60 votes in Port-au-Prince alone. [passage omitted] I voted in BIV 95 in Fontamara, near my house. From my house 12 people, including myself, my wife, and my children, voted in that BIV. [passage omitted] In a BIV located in Laffiteau—Laffiteau is the place where the flour company is—I got 87 votes out of 240 voters. [passage omitted] [end recording]

Lafontant To Contest Aristite Election Victory

FL1912145590 Bonaire Trans World Radio in English 1130 GMT 19 Dec 90

[Text] In Haiti, a leader of the feared Ton Ton Macoutes, the secret police under the Duvaliers, warns his group will fight the expected presidential victory of Jean-Bertrand Aristide. Roger Lafontant calls Mr. Aristide a communist who, he said, will run the country in the order of Fidel Castro or Daniel Ortega. He said he will do everything possible within legal and nonviolent means to keep him from taking power.

Mr. Lafontant was removed from the list of candidates because the Haitian Constitution forbids anyone associated with the former Duvalier regime from running for public office.

Of the 96,000 votes counted, Mr. Aristide, a former Haitian Catholic priest, has 68.2 percent. The second place runner, Marc Bazin, is not even close. Analysts include former U.S. President Jimmy Carter, and he says it is probable that Mr. Aristide will assume office as early as 7 February.

Army Statement Praises Public Cooperation

FL1912001090 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 18 Dec 90

[Text] In a press release just issued, the Army High Command takes pleasure in congratulating the Haitian people for the understanding shown during the 16 December elections. The Army High Command asserts that the collaboration from everyone enabled the Army to fulfill the difficult task of ensuring security to the population. The Army is again asking the population to remain calm and to respect the political bureaus. They also warn against allowing anyone to lead the population to demonstrate in the streets. They caution against intimidation, advise against screaming and yelling, and remind the people not to allow themselves to be uprooted or to permit anyone to turn the country upside down. The Armed Forces will then be able to find the energy and strength to provide security service and to prevent the current peace from disintegrating.

Costa Rica

* National Budget, Budget Supplement Reviewed

91CA0031B San Jose LA REPUBLICA in Spanish 8 Oct 90 p 6

[Article by Arnoldo Rodriguez]

[Text] On 29 November 1989, the ordinary budget of the Republic for 1990, amounting to 77.974 billion colones, was approved. This year, the ordinary budget for 1991 will total 117 billion. It is expected that it will be reported on 20 October and approved on Thursday, 29 November, 1990.

The budget planned for 1990 was based on a possible 65 billion colones to be collected as current income (84 percent of the income) and 11 billion to be obtained from bonds (14 percent), including the public debt bonds for the last elections.

Because of the new expenditure plans subsequently presented, the final government expenditure total for this year came to 110 billion colones.

The 24 billion in bonds approved in a special budget on Thursday, 4 October, were included in the expenditures for 1990. They went to cover government wage obligations and pensions, to finance universities, and to cover specific items.

This may mean that the net income of the central authority for 1990 will have failed to cover even 60 percent of the expenditures. It must be remembered that initially, 2.147 billion colones from taxes on coffee growers were expected for 1990, but the political parties agreed to forego that income.

Of the ordinary budget for 1990, 84 percent was allocated for expenditures and the balance for investments, supported by bonds. For 1991, plans call for the payment of 96.953 billion colones for current expenditures, and 20.383 billion for capital expenditures.

The most sizable expenditure categories will be wages, with 33.744 billion colones (28 percent); current transfers, with 34.09 billion (29 percent); and service on the public debt, with 36.945 billion (31 percent of the budget). Together they account for 90 percent of the expenditures, 32 percent of the transfers, and 9.6 percent of the foreign debt.

The expenditures plan for 1991 calls for 74 billion colones from current income (63 percent of the budget) and 43 billion from bonds (37 percent) at 17 percent interest.

It also calls for authorization to issue bonds in the amount of 140 million colones to cacao growers, and 500 million to enable the Agrarian Development Institute (IDA) to buy and distribute land. This budget will not include any foreign resources.

While previously only 22 taxes financed 80 percent of the expenditures of the central authority, as contemplated in the ordinary budget for 1990, now all of the taxes, stamps, contributions, and transfers will cover only a little more than 60 percent of the expenditures of the ministries, deputies, judicial branch, Electoral Court (TSE), and the Presidency of the Republic.

In 1989, public expenditures came to a total of 84.5 billion colones.

In 1991, the Presidency of the Republic and the ministries will spend 109 billion colones; the Congress, 946 million; the Office of the Comptroller General of the Republic, 730 million; the judicial branch, 4.448 billion; and the Electoral Court 493 million; with 1.408 billion colones for specific items.

In 1990, the executive branch is expected to have spent 103 billion colones, the parliament 623 million; the Office of the Comptroller General 670 million; the judicial branch 3.956 billion; the TSE 1.026 billion (elections were held), while some 1.162 billion went for specific items in specific categories.

The judicial branch received six percent of the current income, by constitutional mandate. The expenditures in the general service category, which includes general administration, foreign relations, public safety, science and technology, are expected to decline from 29 billion in 1990 to 17.7 billion in 1991. The principal cuts were made in Finance.

Expenditures on social and communal services increased from 41.5 billion colones to 48.8 billion. There were reductions for housing, sewage, and drinking water, and increases for education, social security, and welfare.

The economic services saw a reduction from 17.9 billion colones to 10.25 billion. The main cuts were for transportation, agriculture, irrigation, and drainage.

With regard to financial services (public debt), the increase was more than 100 percent.

The last extraordinary budget redistributed 500 million colones in allocations, because the preceding administration took funds earmarked for those purposes to cover wage increases for the teachers. This proposal was approved last June, as a part of another extraordinary budget, which eliminated all of the specific items for which the expenditure plan in the 1990 budget provided.

Income

Of the 74 billion colones expected as sound income in 1991, 70.95 billion will come from taxes. The 1990 budget called for 62 billion colones in tax income.

The table below shows the changes in various categories in the budgets for each of the two years, in billions of colones.

Taxes	1990	1991
Taxes on corporate revenue	11,500	13,900
Income taxes	8,000	10,000
Property taxes	2,659	2,492
Luxury homes	0,050	0,020
Vehicle ownership	1,900	1,700
Taxes on goods and services	30,757	37,409
Selective consumption tax	11,200	13,900
Taxes on sales	17,646	21,500
Taxes on foreign trade	18,985	21,917
Taxes on imports	14,370	19,715
Taxes on exports	4,459	1,819

With regard to income from taxes other than contributions, the Ministry of Finance planned for 2.158 billion colones in 1990, while 2.256 billion are expected for 1991.

The general tax on sales made up of the selective consumption tax, the sales tax, the tax on casinos, and 600 million colones which the Free Golfito Trust might generate, will increase from 28.903 billion to 36.08 billion, in other words 48 percent of the current income. Taxes on income, foreign trade, and sales will generate 92 percent of current income.

However, out of these resources, three billion colones in Tax Credit Certificates (CAT) will be returned in 1990, and the figure expected for this incentive in 1991 is six billion colones.

Jobs

The budget proposed for 1991 calls for an increase of 233 jobs in the central authority. In 1990, there were 71,794 employment positions, while the expected figure for 1991 is 72,027.

The executive branch will have 66,624 employees, the majority of them teachers (27,293). The judicial branch will have 3,776 employees, 1,529 of them in administration. The TSE will employ 589 individuals, the Legislative Assembly 535, and the Office of the Comptroller General 503.

The ministries employing the largest numbers are Education, with 31,572 employees; Government, with 7,328; Public Works, with 7,056; Public Security, with 6,953; and Finance, with 2,907.

Public Debt

According to figures provided by Deputy Federico Vargas, the Costa Rican public debt comes to a total of 188.73 billion. Of this sum, 83,000 colones represent domestic debt, and 104 billion foreign debt. Currently, bonds worth 75.756 billion colones have been placed.

During the past four years, domestic debt has increased by more than 70 billion colones.

The budget for 1991 calls for an expenditure of 25,182,655,529 colones on the domestic debt, including 19.702 billion for interest and 5.327 billion for amortization. The figure proposed for foreign debt is 11,915,678,800 colones, including 7.302 billion for interest and 4.612 billion for amortization.

As a result, 10.074 billion colones will go to amortize the public debt in 1991, and the balance will go to pay interest. In 1990, 4.21 billion colones were allocated for amortization out of a total of 15 billion colones allocated for the debt.

Payment on and amortization of the debt in 1991 will be financed through bonds, amounting to a total of 36.945 billion colones. The remaining bonds will serve to cover specific items.

The commissions for commitments included in loan contracts which have not been ratified or are overdue must be added. They could come to a total of 3.325 billion colones.

El Salvador

FMLN Leader Criticizes Puntarenas Declaration

PA1812202590 Panama City ACAN in Spanish 1616 GMT 18 Dec 90

[Text] San Salvador, 18 Dec (ACAN-EFE)—The Salvadoran guerrillas said today that the Central American summit's decision to condemn their actions and to support Salvadoran President Alfredo Cristiani can only be explained as "a serious U.S. manipulation" which could endanger the negotiating process.

German Serrano, commander of the Farabundo Marti National Liberation Front (FMLN), said that the presidents' decisions "are a step back" and contradict the Geneva agreement signed in April by both sides in the conflict.

In an interview broadcast by the FMLN's Radio Farabundo Marti, Serrano said that in the Puntarenas Declaration there was "U.S. manipulation to obtain support for the counterinsurgency plans promoted by the Salvadoran Government and Army."

The Central American presidents on 17 December demanded that the FMLN immediately and unilaterally halt its armed actions, that it not hinder the elections, and that it join civilian life. They also asked the international community to stop all military, economic, logistical, and publicity assistance for the guerrillas.

"These are hasty decisions that endanger the negotiating process to resolve the Salvadoran conflict," Serrano stressed, saying that these decisions "are not in keeping with the real objective situation being experienced by the

people." He added that the FMLN "is not just an armed group but an army that has been formed in the political-military struggle."

President Cristiani last night voiced optimism about the support he obtained from the region's presidents, and he stressed that for the first time it was accepted that peace in Central America "is unique, complete, and indivisible."

He added that unlike previous occasions, the declaration on El Salvador entails the presidents' commitment to undertake an action plan on behalf of peace in El Salvador. According to Cristiani, if the FMLN rejects these decisions, "it would keep losing support, even the support that it might have abroad."

Meanwhile, Alvaro de Soto, UN mediator in the dialogue between the government and the FMLN, said in San Salvador today that the Central American presidents' support for the peace efforts is "very important."

De Soto, who will meet today with Cristiani, said that the prospects for negotiations between the government and the guerrillas "are good, regardless of whether or not they meet directly."

He explained that since October, both sides have agreed to make the process more dynamic and that "they have both been very respectful of the decision to maintain confidentiality. They have reiterated their resolve and firm decision to continue the process."

According to various sectors, the main stumbling block in the negotiations is the military issue, because the FMLN is insisting on a purge of the Armed Forces and its gradual elimination.

Government Thanks Honduras for Helping Soldiers

PA1812224690 San Salvador LA PRENSA GRAFICA in Spanish 15 Dec 90 p 5

[Text] Salvadoran Ambassador to Tegucigalpa Salvador Trigueros has described the entry of Salvadoran Bracamonte Battalion soldiers, who clashed with FMLN [Farabundo Marti National Liberation Front] forces in Chalatenango, into Honduran territory as a "tactical retreat."

The Salvadoran diplomat told reporters that the wounded soldiers have already returned to San Salvador. He was also grateful for the medical care and attention provided for the soldiers in a hospital in Tegucigalpa.

The Salvadoran Government stated in San Salvador on 13 December that the Bracamonte Battalion troops entered Garita, Honduras because of "the need for urgent medical attention for the wounded and the impossibility of evacuating them by helicopter."

Finally, the official communique expressed the Salvadoran Government's "gratitude to the Honduran Government for the help given to the soldiers and the humanitarian gesture of providing medical attention for the 13 wounded soldiers."

News agency reports from Honduras carried statements by soldier Miguel Angel Gonzalez, 18, who said in the hospital that the fighting against the guerrillas in Chalatenango yesterday was fierce." [no opening quotation marks as published]

In addition, it was learned that the soldiers have already been taken back to El Salvador and have returned to active duty.

In Washington, the U.S. State Department stated that the FMLN is not willing to look for peace in El Salvador.

According to U.S. State Department spokeswoman Margaret Tutwiler, the FMLN has refused to talk about anything but the total elimination of the Salvadoran Armed Forces.

Guatemala

URNG Claims Responsibility for Bridge Attack

PA1812201590 Mexico City NOTIMEX in Spanish 1548 GMT 18 Dec 90

[Text] Guatemala City, 18 Dec (NOTIMEX)—The Guatemalan National Revolutionary Unity (URNG) today claimed responsibility for blowing up the Moca bridge on the Panamamerican Highway's 132 km marker yesterday and for the bomb that exploded in the center of Guatemala City. The local press carries a Cerigua communique in which the URNG reports the destruction of the bridge "to counter repression by the enemy." The communique adds that the "sabotage on the infrastructures forces the Army to protect them, which means they cannot conduct operations against civilians."

The Moca bridge is the third major bridge destroyed by the URNG in one year. It is located on the highway linking Mexico to the countries of Central America. According to military authorities, the URNG used approximately 100 pounds of plastic explosives to blow up a 56-meter stretch of the 91.5-meter-long bridge, which goes across the Moca River.

The URNG also claimed responsibility for the bomb that blew up on the night of 16 December in the center of Guatemala City, one block from the National Police General Directorate. Urban cells of the URNG central front reported conducting "a military operation" in response to the "Army's intransigent stance of intensifying the repression against the people."

The cost of living has worsened for Guatemalans, and the government is constantly violating human rights, the

communique stated. "As long as that situation continues, our struggle will be valid, and we will maintain it," the press report concludes.

* 1991 Budget Approved by Congress

91CA0032A Guatemala City SIGLO VEINTIUNO in Spanish 31 Oct 90 p 3

[Text] The Congress of the Republic promulgated Decree 67-90 yesterday, approving the general income and expenditures budget of the state for the 1991 fiscal year in the amount of 5,515,560,940 quetzales. It will be effective from 1 January until 31 December of 1991.

The approval by article and the final drafting of the 1991 budget proceeded without hindrance, although the finance commission introduced some amendments involving a total of 16.2 million quetzales. They were designed to adjust some categories and create new items by means of debits—in other words a transfer of allocations which does not increase the total budget amount.

Although there was no opposition to the proposal, Deputy Jorge Skinner-Klee pointed out that the next government, whatever it may be, will necessarily have to "take a hand in the budget" to adjust its programs to its own parameters and approach. Thus, he said, no harm is done in approving the budget, because in any case its structure is going to be changed.

The finance commission, which is headed by Deputy Jose Fernando Lobo Dubon, deemed it desirable to make some adjustments to the 1991 budget, to which end a transfer of allocations in the amount of 1.2 million quetzales was effected.

As a result, there will be an increase of two million in the budget for the operations of the Congress of the Republic; the Presidency of the Republic will receive an additional 2.5 million; the Ministry of Finance will have 1.8 million more; and the Ministry of Culture, an additional million.

In the investment sector, the deputies approved an additional 8.4 million for the Ministry of Communications, and 400,000 quetzales for the Ministry of Culture.

In order to finance the above increases, transfers were made from the operational allocations to the Ministries of Finance, Education, and Culture, and reductions were effected for Communications and Culture in the investment category.

The items affected in connection with the financing of the above increases were High Level Offices, Administrative Support Contributions, and the Emergency Allocation for the Ministry of Finance. Where the Ministry of Education was concerned, the allocation for the minister's office was reduced.

For the Ministry of Culture, the reductions were for High Level Offices, the Emergency Allocation, and the La Democracia Park item. Reductions for the Ministry of Communications affected the capital allocation for the Champerico Port Enterprise.

The increases approved for operations were allocated as follows: for the Congress, 1.5 million for the Office of the Human Rights Prosecutor, and 500,000 quetzales for administrative services; for the Presidency of the Republic, 2.5 million to be transferred to the Office of the Vice President to cover the cost of the 1992 World's Fair in Seville, Spain, exclusively.

The Ministry of Finance will allocate its increase in the amount of 830,000 quetzales to the Supreme Electoral Court, as well as a million quetzales to the Firemen's Corps of the Republic, as a one-time contribution. The Ministry of Culture will allocate its increase to the General Central American Archives, in the amount of 800,000 quetzales, and to the National Newspaper and Periodicals Library, in the amount of 300,000.

In the investment category, the increases will be distributed as follows: that of the Ministry of Communications will go to finance the construction of the highways to San Miguel Panan and San Juan Bautista and for the building of rural roads in Alta Verapaz. The Ministry of Culture will allocate its investment increase for the completion of the restoration of the Totonicapan National Theater, as a contribution to the reestablishment of the cultural patrimony.

* Seven Political Parties Disenfranchised

91CA0032B Guatemala City PRENSA LIBRE in Spanish 16 Nov 90 p 4

[Text] Seven political parties have been disenfranchised because they failed to receive four percent of the votes in the election held last Sunday, the Supreme Electoral Court (TSE) has announced.

The groups excluded from the political arena are the Organized Nationalist Union (UNO), headed by Dr. Hector Aragon Quinonez, former vice presidential candidate; the Democratic Party of National Cooperation (PDCN), headed by Rolando Baquiax Gomez; and the Emerging Movement of Harmony (MEC), headed by Colonel Francisco Luis Gordillo Martinez.

Others which also have ceased to exist as public corporations include the United Revolutionary Front (FUR), headed by Leonel Hernandez Cardona; the Democratic Party (PD), headed by Jorge Reyna Castillo; and the Authentic Nationalist Center Party (CAN).

The National Renewal Party (PNR), founded by the former presidential candidate and lawyer Alejandro Maldonado Aguirre, who is currently a Constitutional Court (CC) judge, also ceases to exist as a legal entity.

The TSE announced that other groups, such as the Democratic Socialist Party (PSD) and the Popular Alliance Five (AP5), will remain legal, since they succeed in securing a seat in the Congress of the Republic with the victory of Dr. Mario Solorzano.

The same will be the fate of the Revolutionary Party (PR), which was saved from disenfranchisement when Obdulio Chinchilla Vega won a deputy's seat in Chiquimula.

Honduras

Armed Forces Commander Gives Acceptance Speech

PA1812150090 Tegucigalpa Voz de Honduras Network in Spanish 1600 GMT 11 Dec 90

["Excerpts" of acceptance speech by new Armed Forces Commander Brigadier General Luis Alonso Discua Elvir in Tegucigalpa—live]

[Excerpts] Your Excellency Rafael Leonardo Callejas Romero, constitutional president of the Republic and Armed Forces commanding general; Rodolfo Irias Navas, president of the sovereign National Congress; Osvaldo Ramos Soto, president of the Supreme Court of Justice; distinguished presidential designates; distinguished National Congress members; distinguished Supreme Court of Justice judges; honorable Alba Nora Gunera de Melgar, mayor of Tegucigalpa; respected former constitutional presidents; respected former Armed Forces commanders in chief; dinstinguished diplomatic corps members; military attaches of friendly countries accredited to Honduras; members of the Senior Council of the Armed Forces; the distinguished Catholic Church repesentative; honorable representatives of the Honduran labor and peasant movements; dintinguished special guests; officers; noncommissioned officers; cadets; Armed Forces soldiers and auxiliary personnel; members of the media; friends; ladies and gentlemen: Good morning. [passage omitted]

We are convinced that the historic mission of the Honduran Armed Forces is to ensure that our fellow citizens enjoy a free country, in a proper and adequate environment for the development of their personality, and that their fair expectations will be met. This does not imply overlooking the country's economic, social, political, and cultural reality, as these are the true and proper fields in which the people's human rights and basic guarantees are exercised. These rights and guarantees do not spring from the simple theoretical statement that they exist; instead, they exist due to observance of the law and the Constitution.

Consequently, in addition to the many reasons that draws us close to all Hondurans, we must add that we, the military, have the clear vision to struggle shoulder to shoulder so as to preserve the climate of freedom that has been won, to protect democracy, and to advance toward the clear goals of national harmony, aimed at consolidating forever the peaceful coexistence and guaranteeing permanent stability of our democratic system of government.

That is why we call on those who abandoned the main course of our nationhood, who took up foreign causes and professed strange doctrines, to return and embrace the fatherland's sacred flag. By now, they must be aware that many wars and revolutions have been waged in the name of Marxism, but without the peoples ever properly developing. The reason is that these causes have never been more than simple ways of wielding political, military, and ideological power, and have only served to cause destruction. Never have these causes ended oppression, misery, or the exploitation of man by man.

On another subject, I can give assurances that the Armed Forces are ready to face up to their mission—both at home and abroad. The Armed Forces maintain excellent relations with the government branches, with the Armed Forces subordinate to the president of the Republic, as commander in chief. The Armed Forces obey the international treaties and agreements signed by the Honduran Government that pertain to security and the balance of forces in the Central American area, and will always preserve the principle of political autonomy, sovereignty, and free national determination, which cannot be overlooked without affecting the fatherland's existence and the legal equality of the states.

Disarmament, a much vaunted topic at different levels in Central America, implies taking away war materiel from the men who have the constitutional mission to use these weapons. It also entails removing hatred, violence, and vengeance from the people's hearts, because the truth is that due to these negative factors people arm themselves and cause bloodshed. Under these circumstances, there can be no room for dialogue or for a civilized meeting, which is the best way for attaining reconciliation and the best way man has to settle disputes and erase differences.

We intend to maintain close contact with the country's social, political, economic, cultural, and religious organizations, with special emphasis on the media. We need to banish useless differences and sectarian intolerance—both their causes and effects—because in the long run they only lead to actions that easily produce tension and violence. Only through working for a cordial understanding can we build a true and lasting peace for Honduras. [passage omitted]

Nicaragua

EPS Communique Opposes Army Budget Reduction

PA1912044990 Managua EL NUEVO DIARIO in Spanish 16 Dec 90 p 6

[Communique released by the Sandinist People's Army (EPS) on the national budget in Managua on 15 December]

[Text] 1. Through its General Command and Staff, the Sandinist People's Army presented to the Presidency of the Republic the EPS budget demands for 1991 over three months ago. After an intense joint study and analysis conducted by government and Army financial

experts, the High Command accepted the budget ceiling of 78.62 million gold cordobas as ordered by the Presidency. The EPS, however, has informed the central government that the amount allocated for the Army is sufficient only for its indispensable basic operations and does not cover unexpected expenses necessary to assist civilian agencies, such as the Civilian Defense, in cases of natural disasters, and for health drives and other civic action programs that have been conducted.

The central government authorities were also informed that almost no provision was made to cover the special expenses necessary to ensure the Army's participation in the process of pacification, particularly regarding the disarmament plan, coordination with the former contras to prevent armed conflicts over the distribution of land, and the accomplishment of other support tasks to counter crime, rustling, and other phenomena of social decline resulting from the economic crisis. This has been aggravated by the serious political tension created by the recent subversive riots in Region 5 and other areas of the country.

2. In the framework of the Constitution, by-laws, and the 27 March transition accords, and in accordance with the Army's professionalization and organizational development process, the EPS has consequently been restructuring and decreasing the size of the Army. This is required by the new situation in order to expand the efforts to guarantee the national stability and total peace that is so needed to attract foreign cooperation and investment and reactivate the economy, whose demands affect Nicaraguan society, particularly the poor and destitute, daily.

3. Three great events have taken place in the last three months in the search for national stability, that is to say, the economic and social consensus, the progress attained by the National Agrarian Commission, and the discharging of 5,000 EPS officers. These events should serve as encouragement to keep searching for a solution of the most serious problems that afflict our homeland. We should do so, leaving aside the revengeful and destructive spirit that marks a small group of irresponsible, petty politicians who do not represent the feeling for peace and reconciliation of the majority of the Nicaraguan people. Both non-Sandinists and Sandinists have shown that they can live together in harmony, just as the lowly ex-contra peasants and Sandinists, who only a short time ago confronted each other in bloodshed and fire, do. It has also been demonstrated that no one wants extremism. During the most recent riots, the people turned their backs on and refused to support the minority who blocked public streets and took over state-owned public service facilities.

4. By negating the Constitution and by-laws, the extremists attempt to sabotage the progress attained in the national stability, peace, and reconciliation. With this in mind, the extremists are determined to create instability and concern throughout the country by attempting to destroy, through the Assembly, an undefeatable army that won for itself its current place and institutional future in combat. This army, protected by the Constitution, by-laws, and its high and deep patriotic and revolutionary morale, will on any ground defend the nation and all the people from the extremists' destabilizing attempts.

5. The EPS General Command and Staff hereby report to all of the Army members that the General Command will by no means allow any of the EPS members to be discharged drastically and irresponsibly. Much less will the command suffer those who want to plunge Nicaragua into chaos and an even more terrible and painful bloodbath by firing 10,000 military men in January, as they have planned.

6. We are calling for calm and appeal to the high patriotic responsiblity of all National Assembly members, particularly those who voted against the executive on 14 December. The EPS is confident that this situation, which is pushing Nicaragua closer to an abyss, will be constructively resolved next week when the majority of the deputies accept the veto that the president today announced she would apply so that the Assembly will accept the budget she has proposed.

Managua, 15 December 1990
EPS General Command and Staff

Ex-EPS Officers Protest Army Budget

PA1912000990 Panama City ACAN in Spanish 2025 GMT 18 Dec 90

[Excerpts] Managua, 18 Dec (ACAN-EFE)—Approximately 200 of the 5,000 retired officers of the Sandinist People's Army demonstrated today in front of the presidential house and the National Assembly in Managua in support of the presidential veto of the national budget law, which includes a drastic cut in military spending.

Parliament sources told ACAN-EFE that it is likely that the executive branch will send the budget law veto to parliament today. The almost $500-million budget law reduced the military budget from $78.6 million to $59 million.

Since early this morning, the former officers have been gathering outside the offices of the executive and legislative branches to support the original Defense Ministry budget project.

Hundreds of policemen and antiriot forces surrounded both buildings today to keep the demonstrators from entering. Demonstrators shouted "One single army," while others lit firecrackers to protest the military budget.

Police allowed a delegation, however, from the Association of Retired Military Personnel (Asociacion de Militares Retirados), headed by former Lieutenant Colonel Ivan Garcia, to present documents at the offices of the Presidency and the parliament. [passage omitted]

The majority of the pro-government deputies had supported a larger reduction in the Army's budget because they believe that the amount contemplated in the budget proposal exceeded the country's economic capabilities.

Former Lt. Col. Garcia told ACAN-EFE today that his movement "has nothing to do with politics," adding that in addition to supporting the presidential veto, the former officers demand access to land, like the former "contras," and payment of the 13th-month bonus (Christmas salary).

Government Announces New Cordoba Devaluation

PA1812195990 Managua Radio Ya in Spanish 1200 GMT 17 Dec 90

[Text] A new currency devaluation goes into effect today, 17 December. Until yesterday, the exchange rate quoted on official and unofficial markets was 2.3 million cordobas per $1; today $1 is worth 2.48 million cordobas. This is a 7.85-percent devaluation. Meanwhile, the rate quoted on the black market since yesterday has been 2.62 and 2.65 million cordobas to the dollar.

* Editorial Weighs Arguello, Cesar Support

91CA0036A Managua BARRICADA in Spanish 29 Nov 90 p 3

[Commentary by Roberto Larios]

[Text] With her participation in the events in Region V, Dr. Miriam Arguello raised her chances of winning a new term as president of the legislature. She also placed Alfredo Cesar, who is playing the executive card, *in a precarious situation* as far as his own aspirations are concerned.

This time *La Miriam,* as she is called familiarly by politicians, played a more active role than during the strike in June, as secretary general of her party the *Conservative Popular Alliance.* At least ten of the 14 mayors who participated in the subversive movement belong to her party.

Dr. Arguello did not lead the mayors' movement, but she lent them her support. Later on she would announce her position in the National Assembly, leading the National Opposition Union (UNO) in its refusal to give a *vote of confidence* to President Violeta Chamorro.

After the strike in July, she began developing a fairly constructive relationship from her position as president of the legislature, maintaining a certain distance from the government and from the revanchist sectors of UNO who put her in the office she now holds. This gave her great potential to win UNO's majority support for her reelection.

But when she retraced her steps back to even more extremist positions than those of the July strike, Dr. Arguello ran up against two major difficulties. On the one hand, her almost personal enmity with the government does not jibe with the administration's plans to have an appropriate UNO representative with whom it can deal in the legislature.

On the other hand, the opposition will now regard her with more distrust, as she has taken the side of those who want Sandinism to disappear by *slaughter.*

Social Christians

Apparently Dr. Arguello is trying to establish her hegemony in the Assembly by winning the support of the major components of UNO: the Independent Liberal Party (PLI), the PDCN (Social Christians) and her own party (conservative). In this way she is hoping to capitalize on the realignment of forces within UNO, which resulted in the show of force by the Godoy faction in Chontales.

A high-ranking PLI source in the Assembly maintains that it will be the Social Christians (Agustin Jarquin Anaya's group) who tip the scale to one side or the other in UNO, considering the importance of the participation of Adan Fletes, Azucena Ferrey, Agustin Jarquin, and Humberto Castilla (all of the PDCN) in the events in Chontales.

In the Assembly, it was they who decided on the *vote of confidence* for President Chamorro. The Social Christian faction, which had been showing signs of being strongly attracted to Alfredo Cesar a few months earlier, this time turned its back on the administration, cast its lot with the Godoyists, and joined the mob wholeheartedly.

Agustin Jarquin Anaya's Confidence Party will decide on its position on the National Assembly elections at a congress which is to be held in December. New PDCN officials will also be elected at that congress.

Party analysts agree that the reelection of Jarquin Anaya to a new term as leader of the Christian Democrats is a foregone conclusion, "even though it is against the will of the rank and file." If Jarquin maintains his alliance with Virgilio Godoy, Dr. Miriam Arguello will throw behind him the support of a major bloc of parties—and deputies—in UNO.

On this point it must be acknowledged that she has an advantage over her main opponent, Alfredo Cesar. Dona Violeta's personal adviser has turned out to be a mediocre leader, ineffective in carrying out the administration's plans.

First of all, he does not defend the government fiercely, and second, the palace deals made at the top in the form of sinecures, in keeping with Cesar's "style," do nothing to solve the problems that exist within the rank and file of UNO, as was demonstrated by the events in Chontales.

The Lesser Evil?

Moreover, despite his mediocre performance during the mob violence, Cesar is still the *government's man* for

presiding over the Assembly. President Chamorro and her advisers have no one else in the legislature whom they can trust so well; besides, his resources and skills for handing out jobs and favors in the government should not be underestimated.

Nevertheless, the election of the president of the Assembly will not be decided by the boxing match between Arguello and Cesar. No matter what happens, UNO goes into the assembly elections divided, lacking the majority necessary to determine the outcome.

This makes the deputies of the Sandinist Front the key voters in the National Assembly. Any group of parties that is formed to support a candidate must seek the support of the Sandinist Front, which, with its 39 deputies, has enough strength to tip the scale one way or the other.

Obviously this gives the Sandinist deputies a great responsibility. Dr. Miriam Arguello and Alfredo Cesar do not represent a guarantee that popular interests will be served.

Would you trust the legislative affairs of the nation to a lady who is incapable of maintaining a balanced position for more than three months, and who supports any subversive movement that happens to come along?

On the other hand, how can you trust a *dandy* who is incapable of coming to the defense of his own political positions, and of betraying the president of the Republic?

The choice is difficult, as there is no one to vote for. We just have to choose the lesser of two evils.

Ortega Concludes 'First Phase' of Gulf Peace Bid

PA1912010990 Managua BARRICADA in Spanish 17 Dec 90 pp 1, 4

[Excerpt] Former President Daniel Ortega Saavedra returned to the country yesterday upon completing the "first phase" of a mission to contact international political figures who want a peaceful solution to the Persian Gulf crisis. Ortega explained at the Augusto Cesar Sandino Airport that the initiative by the Contact Group [Grupo de Contacto]—to which he, along with Willy Brandt of the German Social Democratic Party and Rajiv Ghandi of the Congress Party of India, belongs—seeks to avoid the war option.

He announced that in the following days he will step up his peace mission to avoid a war in the Persian Gulf, which would have disastrous consequences for mankind.

On 15 December, THE MIAMI HERALD described Ortega as a "Third World emissary in the confrontation between the United States and Iraq," because the former president is "one of the few people who can talk to Husayn."

In addition, Daniel Ortega explained that his participation in this peace mission in the Middle East constitutes efforts undertaken because of the "political and moral authority" Nicaragua has earned at international forums in the past decade. "We made progress on a number of points. We realize they do not satisfy Iraq or the United States 100 percent, but we already have a basis on which to solve the conflict within the framework of the law," he remarked. [passage omitted]

Panama

Endara 'Will Not Allow' Treaty To Harm Banking

PA1812221490 Panama City ACAN in Spanish 1906 GMT 16 Dec 90

[Text] Panamanian Prsident Guillermo Endara said today in Costa Rica that his government "will not allow" the Mutual Legal Assistance Treaty [TALM] with the United States to "harm Panama's international banking center."

Endara said "we will reach a concurrence of interests. We will sign the treaty; however, we are not going to allow that treaty to harm our banking system, the main one in Latin America."

Endara, who is accompanied by his young wife, Ana Mae Diaz, is an observer at the Ninth Central American summit taking place at the Costa Rican Puntarenas beach resort on the Pacific Ocean.

He said that the United States and Panama "are negotiating with enthusiasm, interest, and equality of conditions" over TALM, which "will allow the persecution, not only of drug traffickers, but of all international criminals."

He added, "There is no pressure (from the United States), and although we are friends that does not mean that we cannot negotiate, as we have done on an equal footing with Costa Rica many times."

Panamanian lawyers believe that the United States wants the treaty to allow it to intervene in Panama in cases that are not considered a crime in Panama. This could affect the banking center.

Endara said that if ousted former General Manuel Antonio Noriega is released in the United States, where he is facing two trials for drug trafficking and corruption, "I am sure that our legal system will ask for his extradition."

He said that "although that is up to the courts," he affirms that if the United States releases Noriega, he will have to return to Panama to face several pending cases.

Endara said: "Panama has many matters to settle with Noriega."

Endara also said that a "minority" group of Panamanian labor leaders who "long for Noriega's military dictatorship," participated in the police revolt on 5 December, which was put down by U.S. troops at Endara's request.

Endara Views Future Central American Summits

PA1812232590 Panama City EL PANAMA AMERICA in Spanish 18 Dec 90 p 32-B

[Text] Panamanian President Guillermo Endara Galimany has said that Panama will continue to participate in Central American presidential summits as an observer. The Panamanian president said this despite the fact that in the "Puntarenas Declaration" the area's presidents acknowledged Panama's efforts and advances in achieving economic and political ties with the area.

At the end of the presidential summit held in Puntarenas, Costa Rica, on 17 December, the Central American presidents stated that they are satisfied with the "Panamanian Government's clear demonstration of interest in increasing its participation" in the different regional organizations.

According to Central American Presidents Violeta Barrios de Chamorro of Nicaragua, Rafael Leonardo Callejas of Honduras, Alfredo Cristiani of El Salvador, Rafael Calderon Fournier of Costa Rica, and Marco Vinicio Cerezo of Guatemala, Panama has made important advances in the internal consultation process being carried out there in achieving the union of that nation with Central America.

In his closing statements at the end of the summit, Endara said that Panama "must first scientifically analyze the pros and cons of an eventual economic and political unification with the countries of the Central American isthmus. [no closing quotation marks as published]

Panama has been participating in the Central American presidential summits as an observer since the last summit held in Antigua, Guatemala, and, according to President Endara, will maintain that status until the government studies the data and decides "what would be more convenient for Panama and Central America."

The Panamanian president said: "Our destiny is to be integrated into Central America."

Herrera Hunger Strike Protests U.S. Measures

PA1812154890 Panama City EL SIGLO in Spanish 18 Dec 90 p 16

[Text] U.S. soldiers prevented former Colonel Eduardo Herrera's wife and his lawyer from visiting him in prison on 16 December during regular visitng hours. He has been held at the Flamenco Island Prison since he was recaptured last week after a spectacular escape and ensuing events that have been labeled rebellious.

The U.S. soldiers told the two women that the Southern Command has ordered that Col. Herrera cannot receive visits until after 25 December because the U.S. Army and security forces are implementing new security measures on and around the island. Although the soldiers did not specify what the security measures are, the women presume the area is being mined.

The women were also told that they could no longer bring Col. Herrera home cooked meals each day. They were told that the food must be delivered to the Balboa Police Station, from where it would be sent to Herrera.

Col. Herrera's lawyer said, "We have been sending him food from home for security reasons. We consider him to be in the hands of the enemy and believe it is dangerous for them to prepare his food or to transport it without supervision by his relatives. Col. Herrera is on a hunger strike to protest this absurd measure and we do not know what will happen."

Protesters Said Wounded in 13-14 Dec Riots

PA1812163590 Panama City EL SIGLO DOMINICAL in Spanish 16 Dec 90 p 54

[Report by Rafael Rodriguez]

[Text] Eighteen people were wounded by birdshot and 25 were arrested during the riots that took place in Panama City to protest the Legislative Assembly's approval of Law No. 55 authorizing the dismissals of public employees.

The incidents, which began on 5 December with the report that the leaders of the labor movement may have had links to the alleged coup attempt headed by former Colonel Eduardo Herrera Hassan, have prompted several marches because of the firings in the government sector.

On 13 and 14 December, the riot police clashed with public workers, who closed Central Avenue and burned cars and tires to protest the dismissal of over 400 state workers.

Vicente Inestroza, a member of the National Police, told this reporter that 25 people, who tried to loot the stores on Central Avenue, had been arrested during the riots. He added that this situation was controlled, thanks to the support received from the security guards of the stores, who had put up barricades to disperse the hoodlums.

Inestroza said that "the Panamanian police are on the alert for any actions against the security and tranquillity of the country." He also warned the people to abstain from participating in demonstrations, because we are going to preserve Panamanian democracy at all cost." [no opening quotation marks as published]

National Bar Association: Bill 55 'Unacceptable'

PA1812181690 Panama City LA PRENSA in Spanish 16 Dec 90 p 44A

[Report by Vilma E. Figueroa B.]

[Text] The National Bar Association's Labor Commission, in a communique issued yesterday, states that the Legislative Assembly's approval of Bill 55 violates international labor laws and rights that are clearly specified in the Panamanian political Constitution.

The attorneys believe that Bill 55, which was approved by the chief executive, is "unacceptable."

They claim that the legislators' approval of the bill constitutes "an act of sovereign unconstitutionality" because the Constitution's Article 157 points out that "the Legislative Assembly is banned from issuing laws contradicting the letter or spirit of that constitution and from decreeing acts to restrain or persecute individuals or groups."

The attorneys maintain that this bill attacks the principle of due process, legal guarantees, and the nonretroactive nature of the law. It violates international labor principles and rights that are clearly specified in the Panamanian Constitution.

The Labor Commission adds that with regard to union matters, the bill in question violates unionization rights contained in the Constitution's Article 64 and Agreements 87 and 98 of the International Labor Organization by trying to disregard union laws.

The Bar Association recalls that the state must ensure the full enforcement of and unrestricted respect for individual guarantees specified in international agreements and local legislation and respect for the right to freedom of speech and to demonstrate.

The communique adds that this law will apparently have a snowball effect on the poverty and social anguish of the Panamanian people because of the current economic and social problems caused by the scourge of crime, hunger, and unemployment.

Finally, the attorneys recommend the promotion of a national dialogue to avert sterile confronations among Panamanians. The national and democratic government of reconciliation must reconsider the dismissal of public employees and call a national dialogue to preserve the frail peaceful coexistence of all Panamanians and the legal state.

Details of Legislators', Union Leaders' Meeting

PA1812160390 Panama CRITICA LIBRE in Spanish 18 Dec 90 pp 1, 26

[Text] The demonstration organized for yesterday by the labor leadership had a small attendance, which proved the lack of support among the Panamanian people for the demonstration that included women and children who were relatives of the dismissed public employees. The labor leaders were received at the National Legislative Assembly and were granted permission to speak.

There were no disturbances, and the only incident reported took place when former [as published] IRHE [Institute of Hydraulic Resources and Electrification] leader Isaac Rodriguez was disarmed. He was carrying a 9-mm Browning pistol, registration number BDA 280425-PY-25391. After a brief scuffle, Rodriguez had to hand his weapon over to Irving Manzanares, National Legislative Assembly chief of security.

The leaders of the Coordinating Board for the Right to Life [Cordinadora por el Derecho a la Vida] asked a special commission of legislators that met with the public employees' delegation for the immediate repeal or reconsideration of Law 55, which orders the dismissals of public employees that participated in the 5 December strike.

The demonstration started at approximately 1700 from Porras Square, went down Central Avenue, and ended at the National Legislative Palace. Some 2,000 public and private sectors employees marched peacefully, chanting antigovernment and anti-U.S. slogans. A large number of demonstrators came with their wives and children.

The demonstration reached the Legislative Palace, which was heavily guarded by 100 National Police personnel. Afterwards, the members of a labor delegation, comprising 10 union leaders, were chosen. Heading the delegation were Isaac Rodriguez of Sitirhe [Union of Workers of the Institute of Hydraulic Resources] and Rolando Miller of Sitintel [Union of Workers of the National Institute of Telecommunications].

Members of a legislative commission, chaired by Legislator Delfin Pena and made up of Legislators Librado Montenegro, Felipe Escobar, Vicente Caballero, Hermann Gnaegi, Ruben Arosemena, Gloria Moreno de Lopez, Mario Rognoni, Jose Torres, and others, met the labor delegation at the meeting room of the assembly's budget commission.

Isaac Rodriguez stated in his speech that the legislators must recommend the "reinstatement of dismissed employees and those who had no participation in the past coup attempt." He said that no labor leader is planning to take over the state's political power or stage a coup d'etat. After listening to the request for the repeal of Law 55, the legislators's commission submitted a report to the full Assembly on the proposals made. The demonstrators left the Legislative Palace peacefully, without any regrettable incident with the police.

According to the report submitted to the full Assembly by Legislators Pena and Caballero, the workers voiced their willingness to meet with the Legislative Assembly's Board of Directors, hoped to be allowed to address the full Assembly, and urged this government branch to mediate in a major national dialogue between workers and the government.

In addition to the Sitirhe and Sitintel union leaders already mentioned, the following labor groups participated in the meeting: Conato [National Council of Organized Workers] leader Manuel de la Cruz; Bayano Cement Corporation leader Marco Moscoso; Fenasep

[National Federation of Associations of Public Employees] leader Hector Aleman; National Port Authority leader Felipe Argote; Panama Railroad leader Juan Navarro; Balboa Port Union leader Flavio Cajar; leader of the National Council of Dismissed Workers, Juan Mckenzy; and IDAAN [National Water and Sanitation Institute] leader Miguel Prado. Legislator Caballero said that the labor leaders and demonstrators had conducted the demonstration and the meeting "calmly and with restraint."

IRHE Union Members Stage Hunger Strike

PA1912033390 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Dec 90 pp A-1, A-2

[Article by James Aparicio]

[Text] Rolando Winter, spokesman for the labor union of the Institute of Hydraulic Resources and Electrification (IRHE), has reported that three members of the union began a hunger strike yesterday at the Don Bosco Church in Panama City.

Rolando Winter, the union's defense secretary, told LA ESTRELLA DE PANAMA that Tomas Segura, who works in Colon; Luis Rico, who works at Las Minas Bay; and Merardo Perea, who works at the IRHE offices on Ricardo J. Alfaro Avenue, are participating in the strike.

According to Winter, other people could join the so-called "hunger strike for the right to life and a real democracy" if the government does not rehire the approximately 500 workers who were fired and abolishes Law 55, which has been described as a fascist law.

Winter added that "real democracy" is needed because it seems that "democracy is only for the rich and not for the poor."

The Right to Life Coordinating Board has announced a march to be held on 24 December. On that day they will march to the Supreme Court of Justice to demand that Law 55 be declared unconstitutional.

Union Leader Rodriguez Joins Strike

PA1912033690 Hamburg DPA in Spanish 0005 GMT 19 Dec 90

[Excerpts] Panama City, 18 Dec (DPA)—Last night, Isaac Rodriguez, top leader of the Coordinating Board of State Workers Unions, declared himself on a hunger strike for an indefinite period, joining three other union members who began a similar strike in this city early yesterday. [passage omitted]

Rodriguez said that he will not suspend his hunger strike until hundreds of dismissed public employees are reinstated, the "Endara law" is abolished, the salary bonus known as the "13th-month" payment is paid, and the government begins negotiations with the workers.

Rodriguez announced a march for 24 December as the next labor action, and added that "there will be Christmas for the privileged but not for the jobless and those who were dismissed in Panama."

Argentina

Armed Forces Supreme Council Concludes Questioning

PY1812200290 Buenos Aires BUENOS AIRES HERALD in English 17 Dec 90 p 7

[Excerpt] (NA-DYN)—Copies of the testimony so far in the Armed Forces Supreme Council trial against the carapintadas [painted faces] uprising two weeks ago has been sent to defence attorneys and prosecutors in the trial for them to round up their cases.

Army sources said that the sentences could be ready in eight days if the summary trials are not delayed.

All testimony at the Supreme Council was wrapped up last Friday, but military judges in charge of the cases against lower-ranking participants in the rebellion would still be questioning some 220 of them at Magdalena military prison this week.

Meanwhile, sources pointed out that it was the Army Chief-of-Staff who decided that retired Colonel Mohamed Ali Seineldin, leader of carapintadas group which staged the revolt, must comply with his preventive arrest at Caseros prison.

The prosecutors will have two days from the moment they receive the testimonies of the accused to produce a final statement, immediately after which the lawyers of the 12 officers who led the attack will have the same time to come up with their version of the incidents.

Meanwhile, different Army sources said that between eight and ten officers who participated in the uprising are still at large, and suggested that several of them could have left the country.

The highest-ranking officer still fugitive is Lieutenant-Colonel Jorge Di Pascuale, who took part in the rebellions of Holy Week in 1987 and Villa Martelli in 1988. He had asked for permission at his garrison in Junin, Neuquen, to settle affairs in Buenos Aires three days before the uprising, and never showed up back at his regiment.

Some witnesses said they saw him in one of the barracks in Greater Buenos Aires taken by the rebels. [passage omitted]

Death Sentence Sought for Seineldin

PY1812210690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2011 GMT 18 Dec 90

[Text] Buenos Aires, 18 Dec (NA)—General Carlos Horacio Dominguez, the Armed Forces prosecutor, today asked the Armed Forces Supreme Council to hand down the death sentence for Colonel Mohamed Ali Seineldin and four other officers who participated in the 3 December Painted Faces uprising.

The prosecutor requested that Seineldin and the following officers be sentenced to death: Colonel Luis Baraldini, Lieutenant Colonel Osvaldo Tevere, Major Hugo Abete, and Major Pedro Mercado.

The prosecutor also requested that all these officers be discharged from the Armed Forces.

Public Revenue Under Secretary Resigns

PY1912000490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1148 GMT 18 Dec 90

[Excerpt] Buenos Aires, 18 Dec (NA)—Public Revenue Under Secretary Raul Cuello "irrevocably" resigned his post this morning. He thus ended a long series of commentaries ensuring his estrangement from the Economy Ministry following questioning by members of the economic team.

Cuello himself announced his resignation this morning, and he said he would give the media a copy of his letter of resignation as soon as he gives it to Economy Minister Erman Gonzalez when he arrives from the United States today.

According to Economy Ministry rumors, Cuello may not be replaced by a new official and his functions may be assumed by Finance Under Secretary Saul Bouer. This means the Public Revenue Undersecretariat may be eliminated from the Economy Ministry's organizational chart.

In statements to Radio Mitre shortly after announcing his resignation, Cuello said: "I want to clarify that I am resigning and that no one asked for my resignation." [passage omitted]

[Buenos Aires TELAM in Spanish at 2248 GMT on 18 December adds: "Economy Minister Antonio Erman Gonzalez tonight accepted the irrevocable resignation tendered by Public Revenue Under Secretary Raul Cuello."]

Economy Minister Returns From United States

PY1812175890 Buenos Aires TELAM in Spanish 1738 GMT 18 Dec 90

[Text] Buenos Aires, 18 Dec (TELAM)—Economy Minister Antonio Erman Gonzalez returned to the country today from the United States, where he met for a week with officials from the IMF, the World Bank, and creditor banks.

Gonzalez arrived at Ezeiza Airport on an American Airlines flight and quickly departed in a car that was waiting for him on the tarmac, thus avoiding meeting with the press.

Correction to Adviser Criticizes Bank Policy

PY1812172290

The following correction pertains to the item headlined "Presidential Adviser Criticizes Bank Policy," published in the 17 December Latin America DAILY REPORT, page 50:

Column two, first paragraph of item, only sentence, make read: ...low exhange rate of the dollar is not corrected." (adding words "of the dollar")

Paragraph two, only sentence, make read: ...considering that the value of the dollar has remained stationary while the value... (rewording)

Paragraph three, only sentence, make read: ...of the interest rates, which force people to save in australes at fixed rates because they can make profits that are not possible anywhere else in the world." [new graf] Alsogaray criticized the... (rewording)

Bolivia

* Officials View Inflation Trend, GDP Growth

91SM0122B La Paz EL DIARIO in Spanish 22 Nov 90 p 7

[Text] The government estimates that by the end of the year inflation will total 15 percent. This rate is considered low compared to the inflation rates prevailing in Latin America, asserted the chief of the Economic Cabinet, Enrique Garcia.

He added that although the level of inflation is not what the government had expected for the end of this year, it is a low rate. The countries that are considered to have relatively low rates, such as Chile, Colombia, and Mexico, are higher than 25 percent, while our country has only 15 percent inflation.

Enrique Garcia said that all the variables will be analyzed together, as some countries have lower wage rates than Bolivia and others have higher ones.

Growth Rates

The head of planning expressed the hope that next year the government can report a "tiny jump" in the growth rate as a percentage of the GDP, from three to four percent. For this purpose, it will be necessary for the executive branch to maintain stability and then move on to positive growth.

Finance Minister David Blanco, on the other hand, said that the growth rate for this year will be three percent of the GDP at best. This level is not considered a failure, given the external situation and the unforeseen factors that affected the national economy.

Higher Prices

The minister of planning, when asked about the rise in prices for the principal goods in the family basket, including "everyday bread," responded that although there was an increase in prices in October, it was very low due to external factors such as the Persian Gulf crisis and the exchange policies adopted by neighboring countries such as Brazil, Peru, and Argentina. Nevertheless, he said that according to the government's latest figures, in the last week the CPI [Consumer Price Index] has declined. Therefore, it is believed that prices will remain stable over the next few months.

He added that the reactivation process is showing the first signs of success; in recent months the productive markets in Santa Cruz were practically paralyzed, but now the intensive effort of industrial firms is becoming evident, and exports will be on the rise.

Wages

The chief of the Economic Cabinet, when asked about the possibility of a wage hike due to the rise in the prices of some goods, responded that for the time being this topic cannot be discussed, because we must be realistic and adhere to the government's wage policy. Overall wages were increased by 12 percent last March, while in the private sector pay raises must be negotiated with employers.

With regard to the public sector, he said that it is impossible to grant a wage increase, and we will have to wait until the end of this year to see the economic indicators and conduct an analysis. Only then can a pay raise be considered as a function of the country's actual situation.

He went on to say that the situation is very different in some public companies, where shared risk contracts were signed. Under these contracts, special treatment was provided in accordance with the company's production.

Bank Superintendency Gives Information on Deposits

PY1812161890 La Paz PRESENCIA in Spanish 2 Dec 90 p 7

[Summary] According to the bank superintendency, as of 25 November bank deposits were worth $785.23 million. Of this amount, 80.85 percent was in foreign currency and 73.34 percent in time deposits.

Jan-Nov Inflation Rate Totals 15.47 Percent

PY1812162690 La Paz EL DIARIO in Spanish 4 Dec 90 p 5

[Summary] According to the National Statistics Institute, the accumulated inflation rate for January through November 1990 totals 15.47 percent.

Central Bank Reserves Total $179.6 Million

PY1812162890 La Paz PRESENCIA in Spanish 7 Dec 90 p 6

[Summary] According to Bolivian Central Bank President Raul Boada, the bank's net international reserves total $179.6 million and available reserves total $330 million.

Brazil

End of Moratorium on Interest Payments Announced

PY1912013690 Rio de Janeiro O GLOBO in Portuguese 18 Dec 90 p 27

[Text] Brasilia—The Brazilian Government will unilaterally suspend—even before reaching an agreement with the foreign creditors—the moratorium [on all debt payments] that was decreed in July 1989. Economy Minister Zelia Cardoso de Mello announced yesterday that beginning in January, Brazil will pay 30 percent of the interest that comes due in 1991 (the proposal had been to pay 25 percent of the interest that comes due from January to March), while negotiations on payment of the interest that has already come due will continue. The remaining 70 percent of the interest will be considered part of the interest due, which, by the end of 1990, will total nearly $8 billion and will be converted into bonds with long-term maturity.

According to the minister, the percentage to be paid was based on the government's capacity to pay (which corresponds to the amount of interest owed by the public sector; this totals nearly 90 percent of the overall debt). In the first three months of 1991, this will total about $500 million.

"This position indicates that the Brazilian Government is willing to negotiate," the minister said after making brief comments on the difficulties the Brazilian delegation and the creditor banks are having in reaching an agreement on overdue interest.

Minister Cardoso said: "Since the beginning of the negotiations, Brazil has been confirming its extremely positive position on the success of the negotiations. Nonetheless, it has not been possible to reach an agreement and there is a wide gap between the short-term solution the creditors want and the medium- and long-term solution Brazil is seeking."

Minister Cardoso believes that the government and the creditors will reach an agreement before March 1991. She does not think this agreement will go against the basic principles established by President Collor, such as the concept of the public sector's capacity to pay for the debt, which will be a result of the government's financial performance.

In Minister Cardoso's opinion, the resolution approved by the Senate yesterday strengthens President Collor's negotiating position. The resolution restricts disbursements for payment of the debt to the government's capacity to pay.

Ambassador Jorio Dauster, Brazilian debt negotiator, arrived in New York yesterday with the new proposal for the creditor banks.

Military Salaries Increased 95 Percent

PY1812175090 Rio de Janeiro O GLOBO in Portuguese 17 Dec 90 p 1

[Text] Based on a political decision made at Planalto Palace, salaries in the military sector will be readjusted by 95.07 percent, while salaries for civilian employees will be readjusted by 81 percent. The Planalto Palace decision was made against the advice of economic sector experts, who warned the government about the risks involved in this increase for the military, which will have a "domino effect" [efeito cascata] on other salaries.

According to the Military Club, the salary for an Army general, with the 95.07-percent increase and bonuses and expense allowances, will total 713,956.20 cruzeiros. The salary for a colonel will go up to 460,365.20 cruzeiros, and that of a lieutenant colonel to 421,351.20 cruzeiros.

Chile

* Political Prisoners' Privileges Protested

91SM0093B Santiago EL MERCURIO in Spanish 3 Nov 90 pp A1, A16

[Excerpts] Minister of Justice Francisco Cumplido said yesterday that the problem which arose with the Gendarmerie personnel last Wednesday, when employees at the Public Prison refused to allow families to visit the so-called "political prisoners," has been resolved. The penal facilities were returned to a state of normalcy following the implementation of the norms authorized for the government by the existing legislation.

Yesterday afternoon, the secretary of state held a press conference at the La Moneda Palace, with Minister Secretary General of Government Enrique Correa at his side. He said that the application of the norms in effect involved requesting the resignation of the warden of the Preventive Detention Center (formerly Public Prison), Colonel Ruben Parra. In addition, they [involved initiating] pertinent investigations to establish the truth of the charges made by Gendarmerie personnel about the allegedly privileged situation of the so-called "political prisoners."

With regard to this particular point, Cumplido said that for this category of prisoners, the uses and practices established by the preceding prison authorities, consistent with the international obligations of Chile in this connection, have remained unchanged.

He also said that both common criminals and those imprisoned for crimes committed for political reasons are required to abide by the norms of conduct regulating operations in each penal institution. He said that prison personnel are supported when they act in accordance with the regulations in effect.

Minister Cumplido also said that no talks were held with the protesting Gendarmerie personnel in connection with the ensuing solution. [passage omitted]

Public Statement

In fact, as had been promised, the minister of justice read a government statement at 4:30 pm. Its text was as follows:

"In connection with the events in connection with the Gendarmerie personnel, known to the public, the government emphasizes the following:

1. Last 31 October, at 9:00 am, employees at the Santiago Public Prison refused to allow visitors for the inmates sentenced for crimes committed for political reasons, alleging that the authorities were providing these prisoners with excessive rights. The employees said they felt they were not being supported by these authorities. Later, employees in other penal institutions expressed their solidarity.

2. The government has established that the prison regime provided for this type of prisoner has remained basically unchanged, involving uses and practices established by the preceding prison authorities, consistent with the international obligations Chile has undertaken in this connection. Also, the Gendarmerie personnel have had the full support of the authorities, with the government seeing to the security of the police and the prisoners at all times.

3. Also, this government has made effective efforts to proceed with the gradual improvement of economic conditions and the security of the Gendarmerie personnel, with an increase in overtime pay in 1990 and the establishment of 500 new positions beginning with the 1991 budget.

4. The situation described above has returned to normalcy, thanks to the implementation of the norms in effect. The minister of justice has asked for the resignation of the warden of the Santiago Public Prison, and in addition, pertinent investigations will be carried out.

5. The government reiterates that both common criminals and those imprisoned for crimes committed by political movements are required to adhere to the norms of conduct governing the normal functioning of every penal institution. The Gendarmerie of Chile has been instructed to apply the aforementioned norms and those described in item 2 of this declaration, when appropriate, with determination and caution, and to support penitentiary personnel acting in accordance with the norms which have been referred to."

Explanations

After reading the official statement, Minister Cumplido was asked to explain what was meant by the statement, "has returned to normalcy, thanks to the implementation of the norms in effect." He responded that "a normal situation has been reestablished in penal institutions through the application of norms provided to the government by the existing legislation."

He added that these norms included the request for the resignation of the warden of the Santiago Prison, Colonel Ruben Parra, and the authority to pursue investigations to establish the exact reasons or causes which, "beyond what was alleged by the participants initially, this investigation may reveal."

With regard to the request for the resignation of Warden Parra, the secretary of state said that this official "was bypassed by his subordinates at a given moment, and he failed to report this kind of circumstance, which he should have foreseen. Consequently, he cannot continue to head the establishment."

As to the status of the protesters, he said that the information available to him was the same as that reported by the prison warden in the statement he made at noon yesterday, to the effect that the protest had ended, and all of those who expressed solidarity with it had been urged to desist.

The minister of justice added that it has been possible to determine that the reasons cited by the Gendarmerie personnel "are not sufficiently well-founded, and as a result, this point must be investigated. I am neither confirming nor denying anything, since we must, of course, await the results of the investigations."

As to the criticisms put forth by National Renewal placing the responsibility for the conflict on him, Cumplido said that this group was within its rights in voicing such criticisms as it saw fit, but he does not agree with them. "I believe that if we have done anything, it was that we did everything possible to ensure strict adherence to the state of law and the norms governing it, naturally, with the prudence befitting a government official," he said.

When asked whether prior to the solution to the conflict, he had talked with the Gendarmerie personnel, the head of the Ministry of Justice stated categorically that no such thing had occurred.

At the same time, he said that "it is a significant coincidence" that a series of events and situations have developed, all directly or indirectly related to the discussion of the so-called "Cumplido laws" in the Congress.

Minister Cumplido reiterated that the government will see to the strict implementation of the norms in effect, and that both the agents of the Gendarmerie and the prisoners will be assured of safety and protection. He denied that the so-called "political prisoners" have been given special privileges.

"The situation of political prisoners, as item 2 of the statement says, has remained without change in terms of what was provided to them by the preceding prison authorities," he said.

When asked about whether the so-called "political prisoners" enjoyed a privileged situation as compared to common criminals, the secretary of state said this would depend on one's view of the issue. He explained that the

preceding Gendarmerie authorities provided them with areas where they could receive visits from family members, a practice which has continued, "because we believe this is consistent with personal dignity."

He said that he had no information as to whether the charge by agents of the Gendarmerie stating that these prisoners were provided with tents and pillows so they could have intimate relations with visiting spouses was true or not.

In conclusion, he said that a new warden, Commander Rafael Arriagada has now been appointed. He said that "he is someone whom we feel is competent to head an establishment of this sort."

* CORFO Privatization Plans Detailed

91SM0093A Santiago EL MERCURIO in Spanish 26 Oct 90 pp B1, B3

[Text] Rene Abeliuk, minister and vice president of the CORFO [Production Development Corporation], announced yesterday that in an ordinary session last 24 October, the board of that entity approved the general framework for the policy of transferring the branches of the corporation to the private sector, with a number of points remaining to be resolved.

For the time being, he said, that organization will continue to sell the minority stock it still owns in enterprises, such as its holdings in the Telephone Company of Chile, the ENTEL [National Telecommunications Enterprise], and the ENDESA [National Electric Company, Inc.].

At the same time, he said that the rest of its affiliates have been divided into three groups. On the one hand there are the enterprises which will remain in the hands of the CORFO. They are those related to the service area. Among them he mentioned the EMOS, the ESVAL, [expansions unknown] and the 11 regional sewage companies developed beginning with Sendos [expansion unknown]. Also in this situation are the COTRISA, the SACOR, and the SASIPA [expansions unknown], which provides credit and technical aid on Easter Island.

A second group includes companies in which associations with private investors will be sought. However, the state will retain majority holdings, that is to say 51 percent of the stocks. These companies are primarily involved in the energy sector.

Abeliuk said that this is the situation with regard to such enterprises as Colbun, Edelnor [Northern Electric Company], and Edelaysen. He further explained that companies will only be created in partnership with the private sector after studies have been completed or concrete proposals made on the new investments which would be made by private capital.

Also, he explained that the National Coal Enterprise (ENACAR) falls into this category as well.

The third group, meanwhile, is made up of the enterprises in which the state will opt for transfer to the private sector. This will be, Abeliuk said, either because they require major investments for their future development, or because it is believed that the private sector will be effective in promoting their role in the respective sectors involved.

Although this spokesperson did not provide any specific information about these enterprises, sources close to the CORFO said that this would be the status of the EMPREMAR [State Maritime Enterprise], the FERRONOR [expansion unknown], and possibly the EMPORCHI [Port Enterprise of Chile].

In any case, Abeliuk said that the sale of stocks will only be carried out when it is believed that the proper moment has come. "We regard transfers to the private sector simply as a tool of economic policy," he said, adding that the transfer of these stock portfolios will be assessed at the proper time, and in the financial terms "which prove favorable."

Regarding the Chilean LAN [National Airline], he said that the corporation proposes to dispose of the package of 22 percent of the stock which it still has in that enterprise. However, "the problem is the timing, and also, obtaining payment for what the stock is worth. If it is necessary to wait, that is the logical thing to do."

On this occasion, Abeliuk explained that the definitive program for the development of this plan is dependent on a series of studies, mainly having to do with the corporation budget.

To this end, he said, a meeting with the members of the Mixed Budget Commission of the Congress was held last Wednesday, the 24th, where they were informed of the decisions made by the CORFO board, in general terms. "Now comes the process of implementation," Abeliuk stated.

As to the reports of personnel problems in the CORFO, he said that it is not true that there was a sit-down strike at the corporation. All that happened was that a communication was received from the trade union leaders expressing their concern about the process which has been occurring within the corporation, and in this connection they suggested some measures.

On this subject, moreover, Abeliuk said that these proposals will be analyzed jointly, in order to resolve any problems they may have raised.

Technological Fund

Concerning the implementation of the technological fund (its establishment was approved by the Corporation board), Abeliuk explained that it will be structured as a committee. In other words, it will operate within the corporation without having the status of a separate juridical person.

He added that for administrative purposes, the fund will be headed by a director and an adviser. He said that negotiations are currently under way with the IBD [Interamerican Development Bank] for credit in an amount in excess of $30 million with a view to putting it into operation.

Abeliuk also said that the idea is for the fund to begin operation on 1 January 1991, either upon receipt of the background files on companies or enterprises interested in obtaining resources for technical innovations in their respective processes, or upon receipt of the resources representing the surplus from the now defunct productive development fund.

On this occasion, the spokesman added on a parallel basis that, there is an awareness of the technological deterioration experienced by the CORFO's technological institutes, and "we are making an effort to obtain credit to improve these establishments."

On this point, he said that a joint study on the modernization of these establishments is being carried out with the Institute of Economics, and negotiations are under way to obtain $15 million in credit for the purpose.

The technological institutes belonging to the CORFO are the INTEC [Technological Institute of Chile], the INFOR (forestry sector), the IFOP [Fishing Promotion Institute], the INN (standardization), and the CIREN [expansion unknown].

Abeliuk emphasized that apart from the technological deterioration experienced by these institutes, an important exodus of professional workers to the private sector has been noted. An effort to halt it will be made in the future.

Colombia

Medellin's Ochoa Brothers Reportedly Surrender

PA1812210090 Paris AFP in Spanish 2030 GMT 18 Dec 90

[Text] Medellin, Colombia, 18 Dec (AFP)—Radio stations reported today that Fabio Ochoa Vasquez, one of the leaders of the Medellin drug cartel, has surrendered to the Colombian authorities, availing himself of the decrees that facilitate the surrender of drug traffickers.

The report, which cited high-ranking judicial sources, added that 33-year- old Fabio Ochoa, whose extradition has been requested by the United States, surrendered before a penal judge at a hacienda near the town of Caldas, south of Medellin, capital of Antioquia Department, in the northwestern sector of Colombia.

[Mexico City NOTIMEX in Spanish at 2027 GMT on 18 Dec 90 adds that "according to police sources, Fabio Ochoa Vasquez, one of the leaders of the Medellin Cartel, and his brother Jorge Luis, today surrendered to the Colombian authorities."]

Ochoa Explains Reason for Surrender

PA1912020290 Paris AFP in Spanish 0015 GMT 19 Dec 90

[Text] Medellin, Colombia, 18 Dec (AFP)— Fabio Ochoa Vasquez, one of the top bosses of the Medellin drug cartel, has described his voluntary surrender to Colombian authorities today as a gesture toward the country's pacification.

In a communique issued by the Ochoa family in Medellin, in northwest Colombia, Fabio said that his surrender was a personal decision in spite of his belief that the government decree which makes it easier for drug traffickers to surrender does not meet their demands.

The law, issued on 6 September and later amended, says that those who surrender will not be extradited and will be tried in Colombia. The law reduces sentences, gives trial guarantees, and provides personal security for the criminals who surrender to Colombian authorities voluntarily.

The text of the message reads:

"Today, 18 December 1990, I have voluntarily surrendered to Colombian authorities as an individual gesture which I hope will best contribute toward coexistence in Colombia.

"Although Decree No. 2047 and its amendment No. 3030 are far from satisfying the wishes and expectations created by the government, wishes that are also the just demand of many Colombians, I have decided to surrender on my own in the hope that this action will help the path that Colombians—from all levels—demand. I hope that this path will be broader, more understanding, and more conciliatory and Christian."

Ochoa, after rendering his initial testimony at Medellin's regional criminal prosecution office, with the help of his lawyers, was taken to Itagui prison amid strict security measures. In Itagui, he was put in a maximum security cell, where he will remain until the case against him begins.

Gaviria 'Very Happy' With Surrender

PA1912012590 Bogota Inravision Television Cadena 1 in Spanish 0018 GMT 19 Dec 90

[Text] Even President Cesar Gaviria has commented on the surrender of Fabio Ochoa Vasquez. President Gaviria is pleased with the results of Decree 2047 and Decree 3030.

[Begin Gaviria recording] The truth is that the government is very happy to see that Decree 2047 is having the effect it should have and that the decree, issued in an attempt to get former and current criminals to surrender to the Colombian justice, is producing the results it should produce. [end recording]

* Report Concludes Counterterrorist Laws Failed

91SM0098B Bogota EL TIEMPO in Spanish 28 Oct 90 p 14A

[Text] As we approach the 21st century, the expert diagnosis of the system of justice is that without more effective programs to fight poverty and policies to prevent crime and rehabilitate criminals, justice, however specialized or gigantic it may be, is virtually doomed to failure, taking strategies of law enforcement and policies to prosecute and punish crime along with it.

The experts' conclusions are part of a study completed by the Ministry of Justice Office of Socio-Legal Investigations on the effectiveness of the law enforcement system. The document is currently one of the decisive factors underlying changes which the new minister of justice, Jaime Giraldo Angel, proposes to make in specialized justice in Colombia.

The Office of Investigations reviewed the work of 81 percent of the regular courts and the special tribunal of that same jurisdiction from the time of its establishment in 1988 until 15 February.

The record of 17 months of proceedings exposed the crisis facing the specialized system of justice and the relative effectiveness of the auxiliaries of judges and magistrates: the Judicial Police Technical Corps, the Administrative Department of Security (DAS), and the Judicial and Investigative Police Directorate (DIJIN).

To start with, antiterrorist justice, comprised at the top of 12 magistrates and 59 of the 90 judges originally appointed by law, essentially ended up handling cases having to do with weapons trafficking and the possession of uniforms for exclusive use of the Armed Forces.

In the second instance, such crimes generally represent 55 percent of all cases handled by regular courts.

Only six percent of the cases relate to terrorism and a bare five percent are connected with homicides relating to terrorism.

Other results of the investigation are no more encouraging. Of all preliminary investigations which at some time or another were in the hands of judges of public order, numbering 6,942, the authors of such acts were completely identified in only 381 cases.

According to the Office of Socio-Legal Investigations, as of 15 February, courts of public order were actually handling 2,648 trials and had produced a total of 530 rulings. In the latter, judges and magistrates had convicted 475 persons and acquitted 594.

Nevertheless, once this information was compared with records of the National Prison Administration on the number of inmates in the 176 prisons in the country who had been arrested and convicted under the Antiterrorist Statute, results showed that only 311 had [been arrested and convicted]. Of these, only 23 (seven percent) were serving a sentence. In the case of the 288 (93 percent) arrested for violations of the Antiterrorist Statute, all were being held on charges.

What is most ironic is that, unlike other studies of the actual administration of justice, here the jurisdiction of public order shows high scores for diligence in most cases.

By 15 February, the judges had produced 4,473 unsworn statements, taken 32,721 depositions, and issued 1,116 arrest warrants.

Police Report 424 Persons Killed in 7 Days

PA1812201890 Bogota Radio Cadena Nacional in Spanish 1200 GMT 18 Dec 90

[Text] Bogota—The National Police Criminological Research Institute has disclosed that 424 homicides were reported over the past seven days in Colombia. According to official data, there were 60 homicides every 24 hours, or 2.5 homicides every hour. The report indicates Antioquia, Santander, Cesar, Meta, and Caldas Departments have registered the highest number of homicides.

Alleged Guerrillas Kidnap Doctors, Anthropologist

PA1812151090 Madrid EFE in Spanish 0211 GMT 18 Dec 90

[Text] Bogota, 17 Dec (EFE)—Military sources reported today that alleged Colombian guerrillas kidnapped two Swiss citizens—an anthropologist and a doctor—and a Colombian doctor, who were conducting a medical tour in the Colombian rural eastern plains.

A Seventh Military Brigade spokesman reported in Villavicencio, 180 km southeast of Bogota, that the people kidnapped are Swiss citizens Peter Wess and Roger Ruthers and Colombian Juan Manuel Fonseca. The source reported that the alleged guerrillas, armed with automatic weapons, interrupted the medical activities of the doctors in Ciudad de Piedra and took them to an unknown place.

Troops stationed in San Jose del Guaviara, which is near Ciudad de Piedra, have been sent to try to rescue the people who were kidnapped and to arrest the alleged rebels.

Paraguay

Rodriguez Will Not Attend ANR Year-End Session

PY1812182890 Asuncion ABC COLOR in Spanish 18 Dec 90 p 3

[Excerpts] On 17 December President Andres Rodriguez declined an invitation extended by Luis Maria Argana, president of the ANR [National Republican Association—Colorado Party], to attend the party's executive board session, at which Argana will give his year-end

address to his fellow party members. Rodriguez indicated that he could not attend because the party session will take place on the eve of his trip to the city of Formosa, Argentina, where he will meet with Argentine President Carlos Menem.

Argana visited Government House on 17 December and personally invited the chief of state to attend the party meeting. When we asked Argana why he had visited the president, the former foreign minister said that "the president expressed his enthusiasm and would have liked to attend. the meeting takes place, however, on the eve of his trip to Formosa and it seems that he is going to travel to Formosa on the afternoon of 27 December. Despite his enthusiasm, we are not going to have the honor of having him with us." [passage omitted]

Rodriguez' refusal to attend the executive board session, where Argana will read his year-end address, is being seen in political circles as a "sanction against the orthodox faction of the party because it has not managed its relations with the executive branch very well."

Union President Criticizes IMF Debtor Policies

PY1912003690 Asuncion HOY in Spanish 15 Dec 90 p 11

[Excerpts] "We propose an industrial bank managed by and for industrialists, not a bank that uses its economic power to pressure industrialists, seize their property, and leave people without jobs." This is a passage from the Paraguayan Industrial Union's year-end message, read by its president, Arturo Jara Avelli. His was a hard-hitting, critical message that suggested formulas for coming through our economy's impending crisis. Jara Avelli also affirmed that the IMF only looks after the interests of rich countries, while condemning poor countries to producing raw materials forever. [passage omitted]

A few minutes earlier, Jara Avelli had elicited enthusiastic approval from the audience when he said the IMF is an institution that unmistakably responds to the interests of the industrialized countries.

"The IMF prescriptions always tend to maintain its debtors in a preindustrial situation as producers of raw materials. Since the debtor countries need its assistance, the IMF cold-heartedly administers its prescriptions, disregarding the real situation of the countries' production sector. Unfortunately, it can always count on experts who are willing to defend the IMF formula as the only valid one for paying the foreign debt."

He later affirmed: We are convinced that the foreign debt must be paid, but on reasonable terms, "not on profitable terms for which the country should not be held responsible."

The order of priorities are first, strengthening domestic capital; second, attracting foreign investment capital; and last, applying for international credit, but only if necessary. In this way, the country will not be subjected to conditionalities to receive funds from the IMF.

He justified his reasoning by the fact that the industrialized countries are more interested in obtaining cheap, abundant raw materials than "in making it possible for underdeveloped countries to grow, and thus turn into new competitors in the production of goods at reasonable prices and comparable quality."

"We know what extremes the industrialized countries can go to in order to prevent our industrial growth, and how clever they can be." Jara Avelli's hint about the mechanisms used to prevent our industrial growth was understood very well by the industrialists who were present, and they gave him another round of applause. [passage omitted]

Peru

Military Accused of Killing Human Rights Reporter

PY1712202490 Madrid EFE in English 1912 GMT 17 Dec 90

[Text] Lima, Dec 17 (EFE)—The editor of Peru's most prestigious news magazine said Monday [17 December] that two Army officers were responsible for the murder of a journalist reporting on human rights abuses in Peru's strife-torn southeastern Andes. Enrique Zileri, editor of the weekly Caretas, told a news conference that his magazine had discovered a lieutenant colonel and a major were behind the killing of correspondent Hugo Bustios in November 1988.

Bustios was gunned down on the outskirts of the city of Huanta some 300 meters away from a police and military patrol. The Armed Forces blamed the Maoist "Shining Path" guerrilla group which operates in the area for the killing, but Zileri said a private investigation carried out by Caretas had discovered that an Army major had pulled the trigger on Bustios.

Witnesses interviewed by the magazine said they saw an Army major known locally as "Cats' Eyes" shoot Bustios and then lob a grenade at his body. One of the witnesses has since been killed.

"Bustios was a true professional. He had a network of information in Huanta which annoyed the authorities because of his constant reports on disappearances and tortures. But he also denounced the actions of Shining Path," said Zileri.

Human rights groups say the inhabitants of several provinces where Shining Path operates not only suffer raids and attacks by the guerrillas, among the most ruthless in Latin America, but also by the Army attempting to rout out suspected rebel sympathizers.

Zileri did not reveal the major's identity, but said the man in charge of police and military patrols in Huanta at the time of Bustios' murder was Victor Hernandez.

Hernandez told Caretas that rebels killed the magazine's correspondent. The Armed Forces High Command and the Defense Ministry have refused to cooperate with investigations into the journalist's death, said Zileri.

"The case has turned into an international scandal which seriously threatens the prestige of Peru, that of its government, its judicial system and its Army," the magazine editor added.

Bustios' murder was last year denounced to the Inter-American Human Rights Commission, which called on the Peruvian government to offer protecton to all witnesses in the case. But as the government has failed to cooperate in investigations, the court has now been asked to issue a public condemnation against Peru, said Zileri.

Murdered Japanese Identified as Red Army Member

PY1912144290 Lima LA REPUBLICA in Spanish 13 Dec 90 p 17

[Excerpt] LA REPUBLICA has confirmed that the Japanese murdered by subversives in the jungle of the Junin Department on 14 November has been identified as Masanori Wakamiya [name as published] who served 14 years in prison for belonging to the so-called Japanese Red Army terrorist organization.

Wakamiya was trying to get to the Puerto Prado settlement but by mistake he went to Alto Paureli, where he ran into a Shining Path column that was searching for the lieutenant governor. It is ironic that Wakamiya was murdered by his comrades, because he is also a Maoist.

A reporter, who is Wakamiya's friend, came from Japan to the site of the murder and identified the body as that of the former Red Army member.

Masanori Wakamiya came from Japan and ended up in Alto Paureli, which is a settlement of only 30 rustic huts, where he was murdered. His destination was not, however, this settlement in the Junin Department.

Alto Paureli Lieutenant Governor Francisco Campos Cano, who was one of the last individuals to have seen Wakimaya alive, said: "Puerto Prado, Puerto Prado was the only thing he knew how to say." He added: "He spoke no Spanish. He only wanted to go to Puerto Prado and he pointed to the small map with Japanese letters he carried." [passage omitted]

Poland's Tyminski Arrives, Comments on Charges

PY1812164690 Madrid EFE in Spanish 1937 GMT 17 Dec 90

[Excerpt] Lima, 17 Dec (EFE)—Stanislaw Tyminski, who was defeated in Poland's presidential runoff on 9 December, said in Lima today that he will return to Poland on 5 January to appear in court to face charges of slander raised by Prime Minister Tadeusz Mazowiecki.

Tyminski, who arrived in Lima from Miami (U.S.A.) with his Peruvian wife and three children, said Polish President-elect Lech Walesa will not succeed in his government administration nor will he "be able to pull the country out of its extreme poverty."

In a statement at the local Lima airport, Tyminski said he is willing to cooperate with the Walesa administration "if Pope John Paul II asks me to."

Tyminski left Poland on 12 December after putting up $100,000 in bail and receiving endorsements from two senators and Electoral Court Chairman Andrzej Zoll.

Asked about the trial for allegedly slandering Mazowiecki, Tyminski said: "I will return to Poland because I am a man of honor." During an election campaign rally, Tyminski charged Mazowiecki with treason against the fatherland and embezzlement of government funds. [passage omitted]

Uruguay

Jan-Nov Inflation Rate Totals 117.18 Percent

PY1812162290 Montevideo LA HORA POPULAR in Spanish 5 Dec 90 p 1 7

[Summary] According to the General Directorate of Statistics and Census, during the first 11 months of 1990 inflation totaled 117.18 percent. This represents an increase of 38.4 percent over the same period in 1989.

PUNTO Y APARTE Magazine Ceases Publication

PY1812234290 Montevideo BUSQUEDA in Spanish 29 Nov-5 Dec p 10

[Summary] The editors of the monthly magazine PUNTO Y APARTE have announced that it will no longer be published because of economic problems. The first issue of this magazine appeared in July 1987.

Foreign Minister on Official Visit to SFRY

WA1812124190

For Yugoslav and Uruguayan reportage on the visit by Foreign Minister Hector Gros Espiell to Yugoslavia, including reports on his talks with SFRY Federal Presidency President Borisav Jovic, Prime Minister Ante Markovic and Foreign Secretary Budimir Loncar, please see the Yugoslavia section of the 18 December East Europe DAILY REPORT and subsequent issues.

Venezuela

Country Not 'Obliged' To Send Troops to Gulf

PA1912021290 Madrid EFE in Spanish 0121 GMT 19 Dec 90

[Text] Caracas, 18 Dec (EFE)— President Carlos Andres Perez explained today that his government supports the UN resolutions, but added that it does not feel obliged to send troops to the Persian Gulf region.

We do not feel that we are obliged or in any condition to send Armed Forces to the Middle East, Perez said at the Military Academy of Venezuela, where he delivered a Christmas message.

Perez insisted that the participation of the Venezuelan Armed Forces in the Persian Gulf crisis has not been brought up at all.

The Venezuelan president said that preventive measures have been taken to guarantee the supply of crude oil and to defend the oil installations in the event of war.

In addition, the Venezuelan president added that once the crisis is over, the 13 OPEC members will return to the production quotas they had established prior to the 2 August Iraqi invasion of Kuwait.

Political Parties Sign State Reform Pact

PA1812150190 Caracas Venezolana de Television Canal 8 in Spanish 1527 GMT 4 Dec 90

[State Reform Pact signed by representatives of the Venezuelan political parties during ceremony held in the Elliptic Room of the Legislative Palace on 4 December; read by Carlos Blanco, minister of state for the Presidential Committee for Reform of the State (Copre)—recorded]

[Text] **State Reform Pact**

The following is the short-term and medium-term state reform program. President Carlos Andres Perez and the Venezuelan political parties, in signing this reform pact, convey to the nation their firm intention to fulfill the program established here. This stems from our firm belief in the program and in the community's demands given the conditions that prevail in Venezuela. The changes that have taken place in the world and the changes that we have adopted in our country have set the stage for significant reform.

In our search for a broader and more efficient democracy, this reform program has become an obligation that cannot be put off. Its final goal is to substantially improve the standard of living in Venezuela and promote community participation in the decisionmaking of this country. All of this will lead toward improving, enhancing, and strengthening our democracy.

The political parties, by signing this reform pact, manifest their willingness to respond to the just and reasonable demands of numerous sectors. These demands call for the leading political forces involved in national reconstruction to enforce more constructive and more integrated policies. The government also states its willingness to promote permanent consultation with the numerous sectors to decide upon and enforce fundamental programs, thus enabling the nation to overcome the crisis it has been experiencing for several years.

We, who sign this document, acknowledge that although each sector has the right to uphold and defend its positions through free democratic debate, it is necessary to provide the nation with a program of changes which has a majority of the people's support. This means a renewed national project that can spark a creative and positive attitude among a vast majority of the members of the community. This is a dire need that cannot be denied at this historical time of national and international challenges.

This reform pact is the result of special circumstances prompted by extreme social needs. The problems existing in fundamental public services; the deficiencies in the democratic system found in fundamental institutions; the community's sentiment toward impunity for corruption; the climate of personal insecurity; and the serious problems of the downtrodden created by extreme poverty are some of the issues that have necessitated a search for recommendations and programs. These programs must be supported at all levels where we, the signatories, have specific responsibilities.

The nation's fundamental institutions must join efforts at these critical times to carry out, without delay, a program of actions within a broadly accepted national project. This project's force and validity would be enhanced by the carrying out of specific actions in the very near future.

This is the true meaning of the reform pact, which outlines some of the most important achievements that the Venezuelan State and community must obtain over the short term.

This reform pact's signatories accept, before the nation, fulfillment of these commitments over the short term, meaning the end of 1991. We also assume other commitments that, due to their very nature, can only be executed over a longer term.

Short-Term Commitments

To give the proposed amendments the urgent attention they require, we hereby promise to debate and approve a priority legislative program for 1991. This minimum program consists of the following legal instruments:

1. Fundamental Law on Voting:

The amendments to this law must be designed to personalize the vote. They must serve to enhance voter participation and the representation of those elected. The law must also decree a drastic reduction in the length of the electoral campaigns. In view of the urgency of this amendment, we agreed to include it among the priorities of the National Congress. Copre will coordinate talks between the parties to facilitate reaching a definite agreement by March 1991, at the latest. It will be approved during the first session period of that year.

2. Law on Political Parties:

This law, which has already been approved in the Chamber of Deputies, must be studied to make sure that

it contains clear rules on the exercise of domestic democracy. Then it must definitely be approved. It must ensure the free and direct participation of all political party members in political and programmatic debates. The law must also guarantee a substantial reduction in the cost of electoral campaigns and a clear definition of the source, amount, and application of the financial resources used by political parties and groups. It must also stimulate the formation of political parties and the programmatic orientation that they afford society.

3. Fundamental Law of the Supreme Court of Justice:

This law will establish a rigorous merit rating system to indicate a candidate's qualifications for a Supreme Court justice post. Election by the National Congress will be by a decisive vote to uplift the judical quality of the Supreme Court. A justice's autonomy and representativeness will guarantee absolute honesty in the exercise of his or her functions.

4. Law To Safeguard Public Property:

The amendment to this law will make it a trustworthy and appropriate instrument of struggle against corruption. Important changes must be made to ensure adequate punishment for those who misuse state property, as well as to make honest officials be above reproach. Officials are often inhibited in their functions because they are concerned about receiving sanctions they do not deserve. A review of trials in abstentia and parole are basic elements of this amendment.

5. Fundamental Law of the National Planning System:

This legal instrument, which is being debated in the National Congress, will allow for a closer connection between planning and the budget. It will establish mechanisms of concerted planning with society. It will also create a more appropriate framework for drafting and carrying out government plans that correspond to the new reality of decentralization.

6. Law on the Comptroller General's Office:

Jointly with the preceding law, which is also being debated in the National Congress, this new instrument will contribute toward guaranteeing adequate use of the country's resources and to speed control and implementation of national and state plans and programs.

7. Law on the Attorney General's Office:

This amendment affects a basic institution of the democratic system and will serve to guarantee full respect for human rights. It will also allow citizens to have the proper institutional mechanisms to legitimately defend themselves in cases of arbitrary actions by the courts.

In addition to the aforementioned legislative priority program, we pledge to adopt the following initiatives:

1. Signing of an agreement for the professionalization of public management. This agreement will supplement and support the Public Administration Management Institute with clear-cut administrative career procedures, promotion based on merit, stability, and competitive labor and salary rates.

2. Revision of the high-level decisions of the executive branch. This will allow us to have an institutional mechanism to facilitate the followup of decisions, the flow of information, strategic analysis, and a better functioning of the different area cabinets. As part of this initiative, we include the study of a specific proposal on the creation of the position of the prime minister. The Presidential Commission for State Reform is tasked with this study in the stipulated term.

In order to make decisive progress in the decentralization process, we will promote agreements between the executive branch and the governors and between the governors and mayors. This will allow us to establish viable, workable, and coherent timetables for the delegation of authority so as to effectively implement the decentralization process as well as the deconcentration of national public administration. This initiative should be accompanied by specific proposals to enable us to implement the decentralization process with the policies of reorganizing government agencies and privatizatizing others, as the case may require.

3. Creation of an inter-party commission. This commission together with the executive branch will participate in the revision, preparation, and implementation of social programs aimed at getting rid of severe poverty, social neglect, and other alarming forms of inequality and social injustice.

4. Reform of the Electoral Supreme Council to increase its levels of professionalization and technical qualification, in accordance with the increased demands involved in the adoption of the new electoral system. Through this reform, we will strengthen the impartiality of the Electoral Supreme Council.

5. Automation of the voting process, particularly the vote-counting procedures, in order to provide greater confidence and credibility in our electoral system. It must be understood that the majority of these commitments will entail administrative and legislative action as well as agreements between different government entities. Therefore, we pledge to maintain practical and continuing consultations with all sectors that are interested in and concerned about this reform and have a clear willingness to improve, after such consultations, the quality of the decisions, which will not hinder reaching the same.

The undersigned of this pact pledge to ensure full compliance with the new laws of this program, and to guarantee the effective implementation of other laws, such as the organic law on decentralization, delimitation, and delegation of authority; the law on bids; the organic law of the Supreme Court of Justice; the organic law on municipal administration; and the law on judicial careers.

Medium-Term Commitments

The undersigned of this reform pact, fully aware of the serious social situation experienced by most Venezuelans, express our willingness to approve an immediate and viable program for protection and social security. In order to outline this social agreement, we will convene the Confederation of Workers of Venezuela, the Venezuelan Federation of Associations and Chambers of Commerce, other business and labor organizations, the church, neighborhood organizations, as well as trade, scientific, and cultural organizations of the country. In addition to this, our mid-term commitment encompasses the following areas:

1. Judicial Reform:

In addition to short-term commitments on this matter, we will submit for revision [to Congress] the organic law of the judiciary branch and all legislation pertaining to the judicial reform in order to protect the autonomy of the Supreme Court of Justice and create conditions for the free implementation, without hindrance, of its inherent duties. We will promote the creation of justices of the peace, and we will study the procedures for their appointment.

2. Public Administration Reform:

We will emphasize the professionalization of government workers, the establishment of a remuneration policy for the public sector, and the approval of a social security program for public servants. We will promote a process that will allow us to renovate the state and to adapt it to the fulfillment of its duties in this new period of changes experienced by Venezuelan society.

3. The Education Reform:

It will also be the result of broad consensus on the most important objectives of the country that will guide the training of human resources. These resources are needed by the country in order to undertake this new and demanding period of its history. Within the framework of education reform, we will institute a national professional training system especially aimed at preparing and properly reinserting highly qualified human resources into the demanding contemporary productive world.

We will emphasize the need to pay attention to the profound crisis of public education at all levels and we will promote the adoption of urgent measures in this area.

4. Legislative Investigations:

We will approve a law that will regulate this matter. The purpose of the law is to improve the effectiveness of the investigations conducted by the congress of the republic.

We will create national programs, such as scientific development and technological programs, to strengthen cultural democratization. These programs will serve as support for the aforementioned reforms.

5. The Reform of the Penitentiary System:

This reform is necessary to supplement the short-term measures previously implemented to improve the administration of justice in the country and consolidate the state of law.

Upon admitting the importance of democratic modernization in Venezuelan society, we pledge to respect neighborhood organizations; trade unions; scientific, cultural, ecological, feminist, and sports organizations; and all organizations that form the developing civil society. This attitude is indispendable to give meaning to and to realize the new democracy that we hope will take hold in our society.

6. Coordination and Follow-Up on This Pact:

Every two months, we will hold meetings to comply with the short- and medium-term commitments included in this reform pact. This will be a regular procedure until 1993, when we will culminate with the implementation of the reforms included in this agreement.

The undersigned political parties and the government will be responsible for overseeing the fulfillment of the aforementioned pact and its implementation by the legislative and executive branches. We are also compelled to facilitate all indispendable agreements to make the administrative and political decisions whenever it may be required.

Copre will be in charge of promoting, supporting, monitoring, and evaluating this process. The political parties will appoint authorized representatives before this commission in order to implement the agreement. Finally, we urge all civil organizations and the personalities who would like to join in this task to support the national commitment for the reform of the state.

All of the undersigned will actively participate in the process that will oversee full compliance with the agreement. That is all, Mr. President. [applause]